

## Table of Contents

First Revised Sheet No. 0	6
Original Sheet No. 1	7
Original Sheet No. 2	8
Original Sheet No. 3	9
Second Revised Sheet No. 4	10
Second Revised Sheet No. 4A	11
First Revised Sheet No. 5	12
First Revised Sheet No. 5A	13
Original Sheet No. 6	14
Original Sheet No. 7	15
Sheet Nos. 8 - 9	16
Substitute Original Sheet No. 10	17
Original Sheet No. 11	18
Original Sheet No. 12	19
Original Sheet No. 13	20
Original Sheet No. 14	21
Original Sheet No. 15	22
Original Sheet No. 16	23
Original Sheet No. 17	24
Original Sheet No. 18	25
Sheet No. 19	26
Substitute Original Sheet No. 20	27
Original Sheet No. 21	28
Substitute Original Sheet No. 22	29
Original Sheet No. 23	30
Original Sheet No. 24	31
Original Sheet No. 25	32
Original Sheet No. 26	33
Substitute Original Sheet No. 27	34
Original Sheet No. 28	35
Original Sheet No. 29	36
Original Sheet No. 30	37
Original Sheet No. 31	38
Original Sheet No. 32	39
Original Sheet No. 33	40
Original Sheet No. 34	41
Original Sheet No. 35	42
Original Sheet No. 36	43
Original Sheet No. 37	44
Original Sheet No. 38	45
Original Sheet No. 39	46
Sheet Nos. 40 - 49	47
Original Sheet No. 50	48
Original Sheet No. 51	49
First Revised Sheet No. 52	50

First Revised Sheet No. 53	51
First Revised Sheet No. 54	52
First Revised Sheet No. 55	53
Original Sheet No. 56	54
Original Sheet No. 57	55
First Revised Sheet No. 58	56
First Revised Sheet No. 59	57
First Revised Sheet No. 60	58
First Revised Sheet No. 61	59
Second Revised Sheet No. 62	60
Sheet Nos. 63 - 65	61
First Revised Sheet No. 66	62
Original Sheet No. 67	63
Original Sheet No. 68	64
Substitute Original Sheet No. 69	65
Substitute Original Sheet No. 70	66
Original Sheet No. 70A	67
Substitute Original Sheet No. 71	68
Substitute Original Sheet No. 72	69
Original Sheet No. 73	70
Substitute Original Sheet No. 74	71
Substitute Original Sheet No. 75	72
Original Sheet No. 76	73
Original Sheet No. 77	74
Original Sheet No. 78	75
Substitute Original Sheet No. 79	76
Substitute Original Sheet No. 80	77
Sheet No. 81	78
First Revised Sheet No. 82	79
First Revised Sheet No. 83	80
First Revised Sheet No. 84	81
Original Sheet No. 85	82
First Revised Sheet No. 86	83
First Revised Sheet No. 87	84
First Revised Sheet No. 88	85
Substitute Original Sheet No. 89	86
First Revised Sheet No. 90	87
Sheet No. 91	88
Original Sheet No. 92	89
Original Sheet No. 93	90
Substitute Original Sheet No. 94	91
Substitute Original Sheet No. 95	92
Substitute Original Sheet No. 96	93
First Revised Sheet No. 97	94
First Revised Sheet No. 98	95
First Revised Sheet No. 99	96

Original Sheet No. 100	97
Original Sheet No. 101	98
Substitute Original Sheet No. 102	99
Original Sheet No. 103	100
Original Sheet No. 104	101
Original Sheet No. 105	102
Substitute Original Sheet No. 106	103
Original Sheet No. 107	104
Original Sheet No. 108	105
First Revised Sheet No. 109	106
First Revised Sheet No. 110	107
First Revised Sheet No. 111	108
First Revised Sheet No. 112	109
First Revised Sheet No. 113	110
First Revised Sheet No. 114	111
First Revised Sheet No. 115	112
Original Sheet No. 116	113
Original Sheet No. 117	114
Sheet No. 118	115
Original Sheet No. 119	116
First Revised Sheet No. 120	117
Original Sheet No. 121	118
Original Sheet No. 122	119
Original Sheet No. 123	120
First Revised Sheet No. 124	121
First Revised Sheet No. 125	122
First Revised Sheet No. 126	123
First Revised Sheet No. 127	124
First Revised Sheet No. 128	125
First Revised Sheet No. 129	126
First Revised Sheet No. 130	127
First Revised Sheet No. 131	128
First Revised Sheet No. 132	129
Original Sheet No. 133	130
Original Sheet No. 134	131
Original Sheet No. 135	132
Substitute Original Sheet No. 136	133
First Revised Sheet No. 137	134
Original Sheet No. 137A	135
Original Sheet No. 138	136
Original Sheet No. 139	137
First Revised Sheet No. 140	138
Substitute Original Sheet No. 141	139
Sheet No. 142	140
First Revised Sheet No. 143	141
First Revised Sheet No. 144	142

Original Sheet No. 145	143
First Revised Sheet No. 146	144
Original Sheet No. 147	145
Original Sheet No. 148	146
First Revised Sheet No. 149	147
First Revised Sheet No. 150	148
First Revised Sheet No. 151	149
First Revised Sheet No. 152	150
Original Sheet No. 153	151
First Revised Sheet No. 154	152
Original Sheet No. 155	153
First Revised Sheet No. 156	154
Original Sheet No. 157	155
First Revised Sheet No. 158	156
Sheet No. 159	157
Original Sheet No. 160	158
Substitute Original Sheet No. 161	159
Substitute Original Sheet No. 162	160
Original Sheet No. 163	161
Original Sheet No. 164	162
Original Sheet No. 165	163
Substitute Original Sheet No. 166	164
Substitute Original Sheet No. 167	165
Substitute Original Sheet No. 168	166
First Revised Sheet No. 168A	167
First Revised Sheet No. 169	168
First Revised Sheet No. 170	169
First Revised Sheet No. 171	170
First Revised Sheet No. 172	171
Sheet No. 173	172
Original Sheet No. 174	173
Original Sheet No. 175	174
Sheet No. 176	175
Original Sheet No. 177	176
Original Sheet No. 178	177
Original Sheet No. 179	178
Sheet No. 180	179
Original Sheet No. 181	180
Substitute Original Sheet No. 182	181
Original Sheet No. 183	182
Original Sheet No. 184	183
Original Sheet No. 185	184
Original Sheet No. 186	185
Original Sheet No. 187	186
Original Sheet No. 188	187
Sheet Nos. 189 - 199	188

Original Sheet No. 200	189
Original Sheet No. 201	190
Original Sheet No. 202	191
Original Sheet No. 203	192
First Revised Sheet No. 204	193
Substitute Original Sheet No. 205	194
Original Sheet No. 206	195
Original Sheet No. 207	196
Sheet Nos. 208 - 209	197
Original Sheet No. 210	198
Original Sheet No. 211	199
Original Sheet No. 212	200
First Revised Sheet No. 213	201
Substitute Original Sheet No. 214	202
Original Sheet No. 215	203
Original Sheet No. 216	204
Sheet Nos. 217 - 218	205
Original Sheet No. 219	206
Original Sheet No. 220	207
Original Sheet No. 221	208
First Revised Sheet No. 222	209
Substitute Original Sheet No. 223	210
Original Sheet No. 224	211
Original Sheet No. 225	212
Sheet No. 226	213
Original Sheet No. 227	214
Original Sheet No. 228	215
First Revised Sheet No. 229	216
Substitute Original Sheet No. 230	217
Original Sheet No. 231	218
Original Sheet No. 232	219
Original Sheet No. 233	220

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**First Revised Sheet No. 0** TUSCARORA GAS TRANSMISSION COMPANY: First Revised Volume No. 1

First Revised Sheet No. 0

Superseding: Original Sheet No. 0

FERC GAS TARIFF

FIRST REVISED VOLUME NO. 1

OF

TUSCARORA GAS TRANSMISSION COMPANY

FILED WITH

FEDERAL ENERGY REGULATORY COMMISSION

Communications Concerning This Tariff  
Should Be Addressed To:

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Effective Date: 04/01/2009 Status: Effective  
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**Original Sheet No. 1** Original Sheet No. 1

TABLE OF CONTENTS

	Sheet No.
Preliminary Statement	2
System Map	3
Rate Sheets	
FT Rate Schedule (Firm Transportation Service)	4
LFS Rate Schedule (Limited Firm Transportation Service)	4
IT Rate Schedule (Interruptible Transportation Service)	5
PL Rate Schedule (Parking & Lending Service)	6
Rate Schedules	
FT Rate Schedule (Firm Transportation Service)	10
LFS Rate Schedule (Limited Firm Transportation Service)	20
IT Rate Schedule (Interruptible Transportation Service)	30
PL Rate Schedule (Parking & Lending Service)	37
General Terms and Conditions (Index)	50
Form of Service Agreements (Index)	200
FT Rate Schedule (Firm Transportation Service)	201
LFS Rate Schedule (Limited Firm Transportation Service)	210
IT Rate Schedule (Interruptible Transportation Service)	219
PL Rate Schedule (Parking & Lending Service)	227
Electronic Signature for Capacity Release	233

*Effective Date: 04/01/2009 Status: Effective*  
*FERC Docket: RP09-08-000*

**Original Sheet No. 2** Original Sheet No. 2

PRELIMINARY STATEMENT

Tuscarora Gas Transmission Company (referred to in this Tariff as "Transporter" or "Tuscarora") is a partnership engaged in the business of transporting natural gas in interstate commerce under authorization granted by, and subject to the jurisdiction of, the Federal Energy Regulatory Commission.

Transporter operates a pipeline system extending in a southeasterly direction from a point of interconnection with the facilities of Gas Transmission Northwest Corporation near Malin, Oregon, to a terminus near Wadsworth, Nevada, where Transporter interconnects with Paiute Pipeline Company. Transporter provides transportation service on a firm and interruptible basis.

It is the policy of Transporter to provide transportation service only under written contract acceptable to Transporter after consideration of its commitments to others, delivery capacity and other factors deemed pertinent by Transporter.

This FERC Gas Tariff is filed in compliance with Parts 154 and 284 of the Commission's Regulations under the Natural Gas Act.

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**Original Sheet No. 3** Original Sheet No. 3

System Map

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**Second Revised Sheet No. 4** Second Revised Sheet No. 4  
Superseding: First Revised Sheet No. 4

APPLICABLE TO SETTLEMENT PARTIES PURSUANT TO THE  
MAY 31, 2006 SETTLEMENT AGREEMENT IN FERC DOCKET NO. RP06-380-000  
(FOR RATES APPLICABLE TO NON-SETTLING PARTIES SEE SHEET NO. 4A)

RATE SCHEDULES FT and LFS  
CURRENTLY EFFECTIVE RATES 1/

Reservation Charge (Maximum)	\$12.1667
(Minimum)	\$ 0.0000
Delivery Charge (Maximum)	\$ 0.0019
(Minimum)	\$ 0.0019
Authorized Overrun Charge (Maximum)	\$ 0.4019
(Minimum)	\$ 0.0019
Annual Charge Adjustment	\$ 0.0019 2/
Measurement Variance Gas Factor (Maximum)	2.0%
(Minimum)	0%
Volumetric Reservation Charge for Capacity Release	\$ 0.4000 3/

- 1/ For scheduling, imbalance and unauthorized overrun charges see General Terms and Conditions, Section 6. Maximum and minimum rates are applicable to backhaul service.
- 2/ The Annual Charge Adjustment (ACA) is included in the above Delivery Charge and the Authorized Overrun Charge.
- 3/ The Maximum Rate does not apply to capacity release transactions of one (1) year or less.

Effective Date: 10/01/2009 Status: Effective  
FERC Docket: RP09-1021-000

**Second Revised Sheet No. 4A** Second Revised Sheet No. 4A  
Superseding: First Revised Sheet No. 4A

APPLICABLE TO NON-SETTLING PARTIES PURSUANT TO THE  
MAY 31, 2006 SETTLEMENT AGREEMENT IN FERC DOCKET NO. RP06-380-000

RATE SCHEDULES FT and LFS  
CURRENTLY EFFECTIVE RATES 1/

Reservation Charge (Maximum)	\$14.6330
(Minimum)	\$ 0.0000
Delivery Charge (Maximum)	\$ 0.0019
(Minimum)	\$ 0.0019
Authorized Overrun Charge (Maximum)	\$ 0.4830
(Minimum)	\$ 0.0019
Annual Charge Adjustment	\$ 0.0019 2/
Measurement Variance Gas Factor (Maximum)	2.0%
(Minimum)	0%
Volumetric Reservation Charge for Capacity Release	\$ 0.4811 3/

- 1/ For scheduling, imbalance and unauthorized overrun charges see General Terms and Conditions, Section 6. Maximum and minimum rates are applicable to backhaul service.
- 2/ The Annual Charge Adjustment (ACA) is included in the above Delivery Charge and the Authorized Overrun Charge.
- 3/ The Maximum Rate does not apply to capacity release transactions of one (1) year or less.

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**First Revised Sheet No. 5** First Revised Sheet No. 5  
Superseding: Original Sheet No. 5

APPLICABLE TO SETTLEMENT PARTIES PURSUANT TO THE  
MAY 31, 2006 SETTLEMENT AGREEMENT IN FERC DOCKET NO. RP06-380-000  
(FOR RATES APPLICABLE TO NON-SETTLING PARTIES SEE SHEET NO. 5A)

IT RATE SCHEDULE  
CURRENTLY EFFECTIVE RATES 1/

Delivery Charge (Maximum)	\$ 0.4019
(Minimum)	\$ 0.0019
Authorized Overrun Charge (Maximum)	\$ 0.4019
(Minimum)	\$ 0.0019
Annual Charge Adjustment	\$ 0.0019 2/
Measurement Variance Gas Factor (Maximum)	2.0%
(Minimum)	0%

- 1/ For scheduling, imbalance and unauthorized overrun charges see General Terms and Conditions, Section 6. Maximum and minimum rates are applicable to backhaul service.
- 2/ The Annual Charge Adjustment (ACA) is included in the above Delivery Charge and the Authorized Overrun Charge.

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**First Revised Sheet No. 5A** First Revised Sheet No. 5A  
Superseding: Original Sheet No. 5A

APPLICABLE TO NON-SETTLING PARTIES PURSUANT TO THE  
MAY 31, 2006 SETTLEMENT AGREEMENT IN FERC DOCKET NO. RP06-380-000

IT RATE SCHEDULE  
CURRENTLY EFFECTIVE RATES 1/

Delivery Charge (Maximum)	\$ 0.4830
(Minimum)	\$ 0.0019
Authorized Overrun Charge (Maximum)	\$ 0.4830
(Minimum)	\$ 0.0019
Annual Charge Adjustment	\$ 0.0019 2/
Measurement Variance Gas Factor (Maximum)	2.0%
(Minimum)	0%

- 1/ For scheduling, imbalance and unauthorized overrun charges see General Terms and Conditions, Section 6. Maximum and minimum rates are applicable to backhaul service.
- 2/ The Annual Charge Adjustment (ACA) is included in the above Delivery Charge and the Authorized Overrun Charge.

Effective Date: 04/01/2009 Status: Effective  
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**Original Sheet No. 6** Original Sheet No. 6

PL RATE SCHEDULE  
CURRENTLY EFFECTIVE RATES

Delivery Charge: (Maximum)	\$ 0.0481
(Minimum)	\$ 0.0000

Effective Date: 04/30/2010 Status: Effective  
FERC Docket: RP10-559-000

**Original Sheet No. 7** Original Sheet No. 7

NON-CONFORMING SERVICE AGREEMENTS  
PURSUANT TO § 154.112(b)

Name of Shipper/Contract No.	Rate Schedule	Agreement Date	Effective Date
California Department of Corrections #F021	FT	5/25/2000	12/1/2001
Barrick Goldstrike Mines, Inc. #F074	FT	7/21/2004	8/1/2005

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**Sheet Nos. 8 - 9** Sheet Nos. 8 - 9

SHEET NOS. 8-9  
HAVE NOT BEEN ISSUED  
BUT HAVE BEEN RESERVED  
FOR FUTURE USE

Effective Date: 07/01/2009 Status: Effective  
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**Substitute Original Sheet No. 10** Substitute Original Sheet No. 10  
Superseding: Original Sheet No. 10

FT RATE SCHEDULE  
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This rate schedule is available for firm transportation of natural gas by Tuscarora Gas Transmission Company (hereinafter called "Transporter") for any party (hereinafter called "Shipper"), when:

- a. Shipper has made a valid request for firm transportation and has met the standards set forth in Section 3 of the General Terms and Conditions of this FERC Gas Tariff of which this rate schedule is a part;
- b. Sufficient firm capacity is available to effectuate such transportation without any construction of facilities or other investment by Transporter, unless Transporter has agreed in writing either to construct additional facilities or to make any other such investment in order to effectuate service under this Rate Schedule FT; and
- c. Shipper has executed a Transportation Service Agreement in the form contained in the FERC Gas Tariff of which this rate schedule is a part.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Transportation provided under the FT Rate Schedule shall be firm reserved transportation service and shall have priority over all other transportation service provided by Transporter. To the extent tendered by Shipper or Shipper's agent, Transporter shall receive from Shipper, or for the account of Shipper, at those points on Transporter's system as specified in an executed Transportation Service Agreement between Shipper and Transporter (hereinafter referred to as "Receipt Point(s)") for transportation hereunder, daily quantities of gas up to Shipper's Maximum Transportation Quantity (taking into account the Measurement Variance Gas Quantity) as specified in the Transportation Service Agreement. A Shipper's Maximum Transportation Quantity shall be a uniform quantity throughout the contract term, except that Transporter may, on a not unduly discriminatory basis, agree to differing monthly levels in the Shipper's Maximum Transportation Quantity during the term of Shipper's contract. Shipper's Maximum Transportation Quantity and any differing levels in the Maximum Transportation Quantity, as well as the period of such differing Maximum Transportation Quantity levels, shall be specified in the executed Firm Transportation Service Agreement.

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**Original Sheet No. 11** Original Sheet No. 11

FT RATE SCHEDULE  
FIRM TRANSPORTATION SERVICE

2. APPLICABILITY AND CHARACTER OF SERVICE (continued)

- 2.2 Upon receipt of such natural gas from Shipper or for Shipper's account, Transporter shall (after making allowance for the Measurement Variance Gas Quantity) transport and deliver to Shipper or to a downstream entity for Shipper's account quantities of gas up to Shipper's Maximum Equivalent Quantity at those points on Transporter's system as are specified in an executed Transportation Service Agreement between Shipper and Transporter (hereinafter referred to as "Delivery Point(s)").
  
- 2.3 Provided such quantities have been scheduled in accordance with Section 4 of the General Terms and Conditions of this Tariff, Shipper may obtain transportation of quantities of gas in excess of the Maximum Transportation Quantity on any day if in Transporter's reasonable judgment transportation of such gas can be accomplished by Transporter without detriment to any other Shipper under any of Transporter's rate schedules. Such excess quantities shall be deemed to be Authorized Overrun Quantities.

FT RATE SCHEDULE  
FIRM TRANSPORTATION SERVICE

2. APPLICABILITY AND CHARACTER OF SERVICE (continued)

2.4 Transporter shall not be obligated to allow any taps, add any facilities, or expand the capacity of Transporter's pipeline system in any manner in order to provide transportation service to Shipper pursuant to this rate schedule.

3. RATE

3.1 Unit Rates. The applicable maximum and minimum unit rates are set forth in the currently effective Sheet No. 4 or Sheet No. 4A (as applicable) of this Tariff and are hereby incorporated herein. The applicable unit rates to be charged on any day by Transporter for gas scheduled for Shipper shall not be in excess of the maximum unit rate nor less than the minimum unit rate. The same minimum and maximum rates are applicable whether the service constitutes a Backhaul or otherwise.

3.2 Negotiated Rates. Notwithstanding any provision of Transporter's Tariff to the contrary, Transporter and Shipper may mutually agree in writing to a Negotiated Rate (including a Negotiated Rate Formula) with respect to the rates, rate components, charges, or credits that are otherwise prescribed, required, established, or imposed by this Rate Schedule or by any other applicable provision of Transporter's Tariff.

Such Negotiated Rate shall be set forth in Exhibit B to the Firm Transportation Service Agreement and Transporter shall make any filings with the Commission necessary to effectuate such Negotiated Rate.

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**Original Sheet No. 13** Original Sheet No. 13

FT RATE SCHEDULE  
FIRM TRANSPORTATION SERVICE

3. RATE (Continued)

3.3 Monthly Bill. For Shippers executing a Transportation Service Agreement pursuant to this FT Rate Schedule, and beginning with the Commencement Date and for each month thereafter, Transporter shall charge and Shipper shall pay Transporter the sum of the following amounts:

- (a) Reservation Charge: The applicable reservation charge per MMBtu multiplied by Shipper's effective Maximum Transportation Quantity under this rate schedule (except under circumstances in which service commences on a day other than the first day of the month, or ends on a day other than the last day of the month, in which case the reservation charge for the month shall be pro rated); plus
- (b) Delivery Charge: The applicable delivery rate multiplied by the quantity of gas scheduled in the month under this rate schedule (excluding Authorized Overrun Quantities) at the Delivery Point(s); plus

FT RATE SCHEDULE  
FIRM TRANSPORTATION SERVICE

3. RATE (continued)

3.3 Monthly Bill (Continued)

- (c) Authorized Overrun Charge: The applicable authorized overrun charge per MMBtu multiplied by the Authorized Overrun Quantity scheduled for Shipper for the month under this rate schedule; plus
- (d) Imbalance Charges: The applicable imbalance charges assessed pursuant to Section 6 of the General Terms and Conditions of this Tariff; plus
- (e) Scheduling Penalties: The applicable scheduling penalties assessed pursuant to Section 6 of the General Terms and Conditions of this Tariff; plus
- (f) Unauthorized Contract Overrun Penalties: The applicable unauthorized contract overrun penalties assessed pursuant to Section 6 of the General Terms and Conditions of this Tariff; plus
- (g) Other Applicable Charges: The applicable surcharges provided for in Sections 12 and 13 of the General Terms and Conditions of this Tariff; less
- (h) Revenue Credit: The revenue credit provided for in Section 29 of the General Terms and Conditions of this Tariff.

- 3.4 Shipper Reimbursement. Transporter shall not be obligated to install additional facilities, other than those specified in Section 11.1 of the General Terms and Conditions herein, that are required to provide service under this FERC Gas Tariff, First Revised Volume No. 1; provided, however, Transporter may install or Shipper may pay all of the expenses incurred for installing additional facilities on a nondiscriminatory basis and under terms that are mutually agreeable. In the event Transporter incurs the cost of installing additional facilities on behalf of a Shipper, Shipper shall pay, in addition to the rate(s) stated in the applicable rate schedule, the prorated (based on Transportation Contract Demand) cost of service attributable to any such additional facilities until such time as a different allocation procedure is specified by Commission order.

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**Original Sheet No. 15** Original Sheet No. 15

FT RATE SCHEDULE  
FIRM TRANSPORTATION SERVICE

3. Rate (Continued)

3.5 Capacity Release.

(a) Releasing Shippers:

Shipper shall have the option to release capacity pursuant to the provisions of Transporter's capacity release program as specified in the General Terms and Conditions. Shipper may release its capacity, up to Shipper's Maximum Transportation Quantity under this rate schedule, in accordance with the provisions of Section 26 of Transporter's General Terms and Conditions of this FERC Gas Tariff, First Revised Volume No. 1. Shipper shall pay a fee associated with the marketing of capacity by Transporter (if applicable) in accordance with Section 26 of the General Terms and Conditions. This fee shall be negotiated between Transporter and the Releasing Shipper.

(b) Replacement Shippers:

Shipper may receive released capacity service under this rate schedule pursuant to Section 26 of the General Terms and Conditions and is required to execute a service agreement in the form contained for capacity release in this First Revised Volume No. 1. Shipper shall pay Transporter each month for transportation service under this rate schedule and as set forth in Transporter's current Statement of Effective Rates and Charges in this First Revised Volume No. 1. Charges to be paid shall be the sum of the Reservation Charge, Delivery Charge, and other applicable surcharges or penalties. The rates paid by Shipper receiving capacity release transportation service shall be adjusted as provided in the Capacity Release offer and executed Transportation Service Agreement for Capacity Release between Transporter and Shipper.

FT RATE SCHEDULE  
FIRM TRANSPORTATION SERVICE

4. NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

If Shipper desires transportation of natural gas on any day under this rate schedule, Shipper shall provide a nomination to Transporter in accordance with Section 4 of the General Terms and Conditions of this Tariff. Based upon the nomination of Shipper, Transporter shall schedule receipts and deliveries of gas in accordance with the General Terms and Conditions of this Tariff. It is the responsibility of Shipper to adjust its deliveries and receipts to conform to the General Terms and Conditions.

Daily deliveries of gas by Shipper to Transporter at the Receipt Point(s) hereunder shall be as nearly equal as possible to daily receipts of gas by Shipper from Transporter at the Delivery Point(s) (taking into account the Measurement Variance Gas Quantity). Any excess or deficiency in such receipts and deliveries shall be resolved in accordance with the General Terms and Conditions of this Tariff.

5. OTHER OPERATING CONDITIONS

Transporter's obligation to provide service under this rate schedule is subject to the following conditions being satisfied:

- 5.1 Shipper shall make all necessary arrangements with other parties at or upstream of the Receipt Point(s) where Shipper tenders gas to Transporter for transportation, and at or downstream of the Delivery Point(s) where Transporter delivers gas for Shipper's account, which arrangements must be compatible with Transporter's system operations and Shipper's service entitlements.
- 5.2 To the extent that any upstream entity involved in handling Shipper's gas refuses or is unable to deliver gas to Transporter in sufficient quantities and at sufficient pressures, Transporter shall not be required to continue deliveries of gas on behalf of Shipper. To the extent that any downstream entity involved in handling Shipper's gas refuses or is unable to receive gas from Transporter, Transporter shall have the right to reduce deliveries of gas on behalf of Shipper.
- 5.3 The daily quantities of natural gas transported shall be delivered by Shipper to Transporter at the Receipt Point(s) at an hourly rate of 1/24 of the scheduled daily quantity. The daily quantities of natural gas transported shall be accepted by Shipper from Transporter at the Delivery Point(s) at a substantially constant hourly rate except as provided in Section 8 of the General Terms and Conditions of this Tariff.

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**Original Sheet No. 17** Original Sheet No. 17

FT RATE SCHEDULE  
FIRM TRANSPORTATION SERVICE

6. RECEIPT POINT(S) AND DELIVERY POINT(S)

- 6.1 Primary Receipt Points. The Primary Receipt Point(s) at which Transporter shall receive Shipper's gas for transportation under this rate schedule shall be specified in an exhibit to the Transportation Service Agreement executed by Transporter and Shipper. Such exhibit shall specify for each Primary Receipt Point the Maximum Input Quantity entitlement and receipt pressure obligations of Shipper. Such Maximum Input Quantity shall be subject to adjustment to take account of the Measurement Variance Gas Quantity. Such exhibit by mutual written agreement may be superseded by a new exhibit in accordance with Section 6 of the General Terms and Conditions of this Tariff.
- 6.2 Alternate Receipt Points. Notwithstanding the foregoing, all interconnections between the facilities of Transporter and the facilities of other operators shall be available for use by Shipper as Alternate Receipt Points, as set forth in Section 7.1 of the General Terms and Conditions of this Tariff.

Effective Date: 04/01/2009 Status: Effective  
FERC Docket: RP09-08-000

**Original Sheet No. 18** Original Sheet No. 18

FT RATE SCHEDULE  
FIRM TRANSPORTATION SERVICE

6. RECEIPT POINT(S) AND DELIVERY POINT(S) (continued)

6.3 Primary Delivery Points. The Primary Delivery Point(s) at which Transporter shall make gas available for Shipper's account under this rate schedule shall be specified in an exhibit to the Transportation Service Agreement executed by Transporter and Shipper. Such exhibit shall specify for each Delivery Point the Maximum Equivalent Quantity entitlement of Shipper and maximum and minimum delivery pressures of Transporter. Transporter shall not accept any proposed Primary Delivery Point(s), or quantity at any Primary Delivery Point(s), or change in quantities among Primary Delivery Point(s), except in accordance with Section 6 of the General Terms and Conditions of this Tariff.

6.4 Alternate Delivery Points. Notwithstanding the foregoing, all interconnections between the facilities of Transporter and the facilities of other operators shall be available for use by Shipper as Alternate Delivery Points, as set forth in Section 7.3 of the General Terms and Conditions of this Tariff.

7. GENERAL TERMS AND CONDITIONS

The applicable General Terms and Conditions of this FERC Gas Tariff are hereby made a part of this rate schedule.

*Effective Date: 04/01/2009 Status: Effective*  
*FERC Docket: RP09-08-000*

**Sheet No. 19** Sheet No. 19

RESERVED FOR FUTURE USE

Effective Date: 07/01/2009 Status: Effective  
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**Substitute Original Sheet No. 20** Substitute Original Sheet No. 20  
Superseding: Original Sheet No. 20

LFS RATE SCHEDULE  
LIMITED FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This rate schedule is available for limited firm transportation of natural gas by Tuscarora Gas Transmission Company (hereinafter called "Transporter") for any party (hereinafter called "Shipper"), when:

- a. Shipper has made a valid request for limited firm transportation and has met the standards set forth in Section 3 of the General Terms and Conditions of this FERC Gas Tariff of which this rate schedule is a part;
- b. Sufficient unsubscribed firm capacity is available to effectuate such transportation without any construction of facilities or other investment by Transporter, unless Transporter has agreed in writing either to construct additional facilities or to make any other such investment in order to effectuate service under this Rate Schedule LFS; and
- c. Shipper has executed a Transportation Service Agreement in the form contained in this FERC Gas Tariff of which this rate schedule is a part.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Transportation provided under the LFS Rate Schedule shall be limited firm reserved transportation service pursuant to the executed Limited Firm Transportation Service Agreement between Transporter and Shipper. To the extent tendered by Shipper or Shipper's agent, Transporter shall receive from Shipper, or for the account of Shipper, at those points on Transporter's system as specified in an executed Transportation Service Agreement between Transporter and Shipper (hereinafter referred to as "Receipt Point(s)") for transportation hereunder, daily quantities of gas up to Shipper's Maximum Transportation Quantity (taking into account the Measurement Variance Gas Quantity) as specified in the Transportation Service Agreement.

Over the period of time that service is provided under this rate schedule, Transporter may, subject to mutual agreement and as set forth in the executed Limited Firm Transportation Agreement, restrict service in whole (Limited Day) or in part (Partial Volume Day) for a minimum and maximum number of Limited Days. Further, the Limited Firm Transportation Agreement may specify in advance particular days or periods of time which will be Limited Days. A Partial Volume Day will be counted as a Limited Day.

LFS RATE SCHEDULE  
LIMITED FIRM TRANSPORTATION SERVICE

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.1 (Continued)

On those days in which service is provided in whole or in part, Transporter shall receive from Shipper such daily quantities of gas up to the Shipper's Maximum Transportation Quantity (taking into account the Measurement Variance Gas Quantity), or a percentage thereof on Partial Volume Days, as specified in the executed Limited Firm Transportation Service Agreement between Transporter and Shipper.

2.2 Upon receipt of such natural gas from Shipper or for Shipper's account, Transporter shall (after making allowance for the Measurement Variance Gas Quantity) transport and deliver to Shipper or to a downstream entity for Shipper's account quantities of gas up to Shipper's Maximum Equivalent Quantity at those points on Transporter's system as are specified in an executed Transportation Service Agreement between Shipper and Transporter (hereinafter referred to as "Delivery Point(s)").

2.3 Provided such quantities have been scheduled in accordance with Section 4 of the General Terms and Conditions of this Tariff, Shipper may obtain transportation of quantities of gas in excess of the Maximum Transportation Quantity on any day if in Transporter's reasonable judgment transportation of such gas can be accomplished by Transporter without detriment to any other Shipper under any of Transporter's rate schedules. Such excess quantities shall be deemed to be Authorized Overrun Quantities.

2.4 Transporter shall not be obligated to allow any taps, add any facilities, or expand the capacity of Transporter's pipeline system in any manner in order to provide transportation service to Shipper pursuant to this rate schedule.

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FERC Docket: RP09-8-002

**Substitute Original Sheet No. 22** Substitute Original Sheet No. 22  
Superseding: Original Sheet No. 22

LFS RATE SCHEDULE  
LIMITED FIRM TRANSPORTATION SERVICE

3. RATE

3.1 Unit Rates. The applicable maximum and minimum unit rates are set forth in the currently effective Sheet No. 4 or Sheet No. 4A (as applicable) of this Tariff and are hereby incorporated herein. The applicable unit rates to be charged on any day by Transporter for gas scheduled for Shipper shall not be in excess of the maximum unit rate nor less than the minimum unit rate. The same minimum and maximum rates are applicable whether the service constitutes a Backhaul or otherwise.

3.2 Negotiated Rates. Notwithstanding any provision of Transporter's Tariff to the contrary, Transporter and Shipper may mutually agree in writing to a Negotiated Rate (including a Negotiated Rate Formula) with respect to the rates, rate components, charges, or credits that are otherwise prescribed, required, established, or imposed by this Rate Schedule or by any other applicable provision of Transporter's Tariff.

Such Negotiated Rate shall be set forth in Exhibit B to the Limited Firm Transportation Service Agreement and Transporter shall make any filings with the Commission necessary to effectuate such Negotiated Rate.

3.3 Monthly Bill. For Shippers executing a Transportation Service Agreement pursuant to this LFS Rate Schedule, and beginning with the Commencement Date and for each month thereafter, Transporter shall charge and Shipper shall pay Transporter the sum of the following amounts:

- (a) Reservation Charge: The reservation charge shall equal the product of the applicable daily reservation charge per MMBtu (equal to the currently effective Reservation Charge as set forth on Effective Tariff Sheet No. 4 or Sheet No. 4A (as applicable) divided by the number of days in the month), the number of days in the month less the number of Limited Days, and the Shipper's effective Maximum Transportation Quantity under this rate schedule; provided that to the extent service is provided for a Partial Volume Day, an LFS Shipper's Maximum Transportation Quantity for that day will be equal to its contractual Maximum Transportation Quantity multiplied by the ratio of the daily LFS quantity made available to the Shipper's contractual Maximum Transportation Quantity; plus
- (b) Delivery Charge: The applicable delivery rate multiplied by the quantity of gas scheduled in the month under this rate schedule (excluding Authorized Overrun Quantities) at the Delivery Point(s); plus

LFS RATE SCHEDULE  
LIMITED FIRM TRANSPORTATION SERVICE

3. RATE (continued)

3.3 Monthly Bill (continued).

- (c) Authorized Overrun Charge: The applicable authorized overrun charge per MMBtu multiplied by the Authorized Overrun Quantity scheduled for Shipper for the month under this rate schedule; plus
- (d) Imbalance Charges: The applicable imbalance charges assessed pursuant to Section 6 of the General Terms and Conditions of this Tariff; plus
- (e) Scheduling Penalties: The applicable scheduling penalties assessed pursuant to Section 6 of the General Terms and Conditions of this Tariff; plus
- (f) Unauthorized Contract Overrun Penalties: The applicable unauthorized contract overrun penalties assessed pursuant to Section 6 of the General Terms and Conditions of this Tariff; plus
- (g) Other Applicable Charges: The applicable surcharges provided for in Sections 12 and 13 of the General Terms and Conditions of this Tariff; less
- (h) Revenue Credit: The revenue credit provided for in Section 29 of the General Terms and Conditions of this Tariff.

- 3.4 Shipper Reimbursement. Transporter shall not be obligated to install additional facilities, other than those specified in Section 11.1 herein, that are required to provide service under this FERC Gas Tariff, First Revised Volume No. 1; provided, however, Transporter may install or Shipper may pay all of the expenses incurred for installing additional facilities on a nondiscriminatory basis and under terms that are mutually agreeable. In the event Transporter incurs the cost of installing additional facilities on behalf of a Shipper, Shipper shall pay, in addition to the rate(s) stated in the applicable rate schedule, the prorated (based on Transportation Contract Demand) cost of service attributable to any such additional facilities until such time as a different allocation procedure is specified by Commission order.

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**Original Sheet No. 24** Original Sheet No. 24

LFS RATE SCHEDULE  
LIMITED FIRM TRANSPORTATION SERVICE

3. RATE (continued)

3.5 Capacity Release

(a) Releasing Shippers:

Shipper shall have the option to release capacity pursuant to the provisions of Transporter's capacity release program as specified in the General Terms and Conditions. Shipper may release its capacity, up to Shipper's Maximum Transportation Quantity under this rate schedule, in accordance with the provisions of Section 26 of Transporter's Transportation General Terms and Conditions of this FERC Gas Tariff, First Revised Volume No. 1.

(b) Replacement Shippers:

Shipper may receive released capacity service under this rate schedule pursuant to Section 26 of the Transportation General Terms and Conditions and is required to execute a service agreement in the form contained for capacity release under Rate Schedule LFS in this FERC Gas Tariff, First Revised Volume No. 1.

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**Original Sheet No. 25** Original Sheet No. 25

LFS RATE SCHEDULE  
LIMITED FIRM TRANSPORTATION SERVICE

3.5 Capacity Release (continued)

(b) Replacement Shippers: (continued)

All replacement shippers must accept the same provisions regarding and circumstances relating to Limited Days as apply under the Releasing Shipper's Agreement, including the number of Limited Days remaining in an applicable defined period. Any required capacity release posting must state and describe the contract provisions relating to Limited Days. When a Releasing Shipper releases a volumetric portion of its full contract path, capacity on a Limited or Partial Volume Day shall be prorated among the original and replacement Shippers based on their respective Maximum Transportation Quantities. When a Releasing Shipper releases a segment of its full contract path, the number of Limited Days that apply to the Replacement will be the number of Limited Days that remain on the Releasing Shipper's Agreement.

In this case, the Releasing and Replacement Shipper Agreements will be treated separately for purposes of calling Limited or Partial Volume Days. In the event of a recall of segmented released capacity, once the capacity reverts to the original Shipper, that Shipper is bound by the greater of the number of Limited Days remaining for either the original or Replacement Shipper in the relevant defined time period. Transporter will notify Replacement Shippers, both permanent and temporary, of whether days are Limited or Partial Volume Days.

Shipper shall pay Transporter each month for transportation service under this rate schedule and as set forth in Transporter's current Statement of Effective Rates and Charges in this First Revised Volume No. 1. Charges to be paid shall be the sum of the Reservation Charge, Delivery Charge, and other applicable surcharges or penalties.

The rates paid by Shipper receiving capacity release transportation service shall be adjusted as provided in the executed Limited Firm Transportation Service Agreement between Transporter and Shipper.

LFS RATE SCHEDULE  
LIMITED FIRM TRANSPORTATION SERVICE

4. NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

If Shipper desires transportation of natural gas on any day under this rate schedule, Shipper shall provide a nomination to Transporter in accordance with Section 4 of the General Terms and Conditions of this Tariff. Based upon the nomination of Shipper, Transporter shall schedule receipts and deliveries of gas in accordance with the General Terms and Conditions of this Tariff. It is the responsibility of Shipper to adjust its deliveries and receipts to conform to the General Terms and Conditions.

Daily deliveries of gas by Shipper to Transporter at the Receipt Point(s) hereunder shall be as nearly equal as possible to daily receipts of gas by Shipper from Transporter at the Delivery Point(s) (taking into account the Measurement Variance Gas Quantity). Any excess or deficiency in such receipts and deliveries shall be resolved in accordance with the General Terms and Conditions of this Tariff.

5. OTHER OPERATING CONDITIONS

Transporter's obligation to provide service under this rate schedule is subject to the following conditions being satisfied:

- 5.1 Shipper shall make all necessary arrangements with other parties at or upstream of the Receipt Point(s) where Shipper tenders gas to Transporter for transportation, and at or downstream of the Delivery Point(s) where Transporter delivers gas for Shipper's account, which arrangements must be compatible with Transporter's system operations and Shipper's service entitlements.
- 5.2 To the extent that any upstream entity involved in handling Shipper's gas refuses or is unable to deliver gas to Transporter in sufficient quantities and at sufficient pressures, Transporter shall not be required to continue deliveries of gas on behalf of Shipper. To the extent that any downstream entity involved in handling Shipper's gas refuses or is unable to receive gas from Transporter, Transporter shall have the right to reduce deliveries of gas on behalf of Shipper.

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**Substitute Original Sheet No. 27** Substitute Original Sheet No. 27  
Superseding: Original Sheet No. 27

LFS RATE SCHEDULE  
LIMITED FIRM TRANSPORTATION SERVICE

5.3 The daily quantities of natural gas transported shall be delivered by Shipper to Transporter at the Receipt Point(s) at an hourly rate of 1/24 of the scheduled daily quantity. The daily quantities of natural gas transported shall be accepted by Shipper from Transporter at the Delivery Point(s) at a constant hourly rate.

6. RECEIPT POINT(S) AND DELIVERY POINT(S)

6.1 Primary Receipt Points. The Primary Receipt Point(s) at which Transporter shall receive Shipper's gas for transportation under this rate schedule shall be specified in an exhibit to the Transportation Service Agreement executed by Transporter and Shipper. Such exhibit shall specify for each Primary Receipt Point the Maximum Input Quantity entitlement and receipt pressure obligations of Shipper. Such Maximum Input Quantity shall be subject to adjustment to take account of the Measurement Variance Gas Quantity. Such exhibit by mutual written agreement may be superseded by a new exhibit in accordance with Section 7.1 of the General Terms and Conditions of this Tariff.

6.2 Alternate Receipt Points. Notwithstanding the foregoing, all interconnections between the facilities of Transporter and the facilities of other operators shall be available for use by Shipper as Alternate Receipt Points, as set forth in Section 7.1 of the General Terms and Conditions of this Tariff.

LFS RATE SCHEDULE  
LIMITED FIRM TRANSPORTATION SERVICE

6. RECEIPT POINT(S) AND DELIVERY POINT(S) (continued)

6.3 Primary Delivery Points. The Primary Delivery Point(s) at which Transporter shall make gas available for Shipper's account under this rate schedule shall be specified in an exhibit to the Transportation Service Agreement executed by Transporter and Shipper. Such exhibit shall specify for each Delivery Point the Maximum Equivalent Quantity entitlement of Shipper and maximum and minimum delivery pressures of Transporter. Transporter shall not accept any proposed Primary Delivery Point(s), or quantity at any Primary Delivery Point(s), or change in quantities among Primary Delivery Point(s), except in accordance with Section 7.1 of the General Terms and Conditions of this Tariff.

6.4 Alternate Delivery Points. Notwithstanding the foregoing, all interconnections between the facilities of Transporter and the facilities of other operators shall be available for use by Shipper as Alternate Delivery Points, as set forth in Section 7.3 of the General Terms and Conditions of this Tariff.

7. Notification of Limited Days

(a) Notification

Transporter shall notify Shipper no later than two and one-half hours prior to the deadline for timely nominations for a day if that day is going to be a Limited Day or Partial Volume Day. Notification shall be made by e-mail or other mutually agreed method. To the extent that Transporter notifies Shipper of a Partial Volume Day, the notice will specify the volume of service which will be made available to Shipper that day.

If timely notice is not provided by Transporter on any day of a Limited Day or Partial Volume Day, Shipper will be able to nominate up to its full Maximum Transportation Quantity in accordance with the Scheduling and Nomination procedures in Transporter's General Terms and Conditions. Timely notice will be assumed to have been provided for predetermined Limited or Partial Volume Days pursuant to the Limited Firm Transportation Service Agreement between Transporter and Shipper.

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**Original Sheet No. 29** Original Sheet No. 29

LFS RATE SCHEDULE  
LIMITED FIRM TRANSPORTATION SERVICE

7. Notification of Limited Days

(b) Determination of Limited Days

Limited Days or Partial Volume Days shall be determined by Transporter separately for each LFS Agreement, subject to the parameters defined in the Limited Firm Transportation Service Agreement. To the extent that Transporter can identify the conditions under which it will call a Limited Day or Partial Volume Day, Transporter shall specify such conditions in the Limited Firm Transportation Service Agreement, provided, however, that Transporter will still be able to call a Limited Day or Partial Volume Day based upon other conditions.

8. GENERAL TERMS AND CONDITIONS

The applicable General Terms and Conditions of this FERC Gas Tariff are hereby made a part of this rate schedule.

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FERC Docket: RP09-08-000

**Original Sheet No. 30** Original Sheet No. 30

IT RATE SCHEDULE  
INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

This rate schedule is available for interruptible transportation of natural gas by Tuscarora Gas Transmission Company (hereinafter called "Transporter") for any party (hereinafter called "Shipper"), when:

- a. Shipper has made a valid request for interruptible transportation and has met the standards set forth in Section 3 of the General Terms and Conditions of this FERC Gas Tariff of which this rate schedule is a part; and
- b. Shipper has executed a Transportation Service Agreement in the form contained in the FERC Gas Tariff of which this rate schedule is a part.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This IT Rate Schedule and the rates set forth herein shall apply to all interruptible transportation service rendered under Transportation Service Agreements for such service whenever Transporter is able and willing to offer such interruptible transportation service. Transportation service provided hereunder is subject to curtailment or interruption as Transporter deems necessary. To the extent tendered by Shipper or Shipper's agent, Transporter shall receive from Shipper, or for the account of Shipper, at points on Transporter's system (hereinafter referred to as "Receipt Point(s)") for transportation hereunder daily quantities of gas up to Shipper's Maximum Transportation Quantity (taking into account the Measurement Variance Gas Quantity) as specified in the Transportation Service Agreement.

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**Original Sheet No. 31** Original Sheet No. 31

IT RATE SCHEDULE  
INTERRUPTIBLE TRANSPORTATION SERVICE

2. APPLICABILITY AND CHARACTER OF SERVICE (continued)

- 2.2 Upon receipt of such natural gas from Shipper or for Shipper's account, Transporter shall (after making allowance for the Measurement Variance Quantity) transport and deliver to Shipper or to a downstream entity for Shipper's account quantities of gas up to Shipper's Maximum Equivalent Quantity at such points on Transporter's system as have been scheduled for the delivery of gas for Shipper's account (hereinafter referred to as "Delivery Point(s)").
- 2.3 Provided such quantities have been scheduled in accordance with Section 4 of the General Terms and Conditions of this Tariff, Shipper may obtain transportation of quantities of gas in excess of its Maximum Transportation Quantity on any day if in Transporter's reasonable judgment transportation of such gas can be accomplished by Transporter without detriment to any other Shipper under any of Transporter's rate schedules. Such excess quantities shall be deemed to be Authorized Overrun Quantities.

IT RATE SCHEDULE  
INTERRUPTIBLE TRANSPORTATION SERVICE

3. RATE

3.1 Unit Rates. The applicable maximum and minimum unit rates are set forth in the currently effective Sheet No. 5 or Sheet No. 5A (as applicable) of this FERC Gas Tariff and are hereby incorporated herein. The applicable unit rates to be charged on any day by Transporter for gas scheduled for Shipper shall not be in excess of the maximum unit rate nor less than the minimum unit rate. The same minimum and maximum rates are applicable whether the service constitutes a Backhaul or otherwise.

3.2 Negotiated Rates. Notwithstanding any provision of Transporter's Tariff to the contrary, Transporter and Shipper may mutually agree in writing to a Negotiated Rate (including a Negotiated Rate Formula) with respect to the rates, rate components, charges, or credits that are otherwise prescribed, required, established, or imposed by this Rate Schedule or by any other applicable provision of Transporter's Tariff.

Such Negotiated Rate shall be set forth in Exhibit B to the Interruptible Transportation Service Agreement and Transporter shall make any filings with the Commission necessary to effectuate such Negotiated Rate.

Shippers paying a Negotiated Rate which exceeds the maximum applicable tariff rate shall be considered to be paying the maximum applicable tariff rate for purposes of scheduling, curtailment, and interruption, and calculating the economic value of a request for available or unsubscribed capacity.

3.3 Monthly Bill. For Shippers executing a Transportation Service Agreement pursuant to this IT Rate Schedule and beginning with the Commencement Date and for each month thereafter, Transporter shall charge and Shipper shall pay Transporter the sum of the following amounts:

- (a) Delivery Charge: The applicable delivery rate multiplied by the quantity of gas scheduled in the month (excluding Authorized Overrun Quantities) at the Delivery Point(s); plus
- (b) Authorized Overrun Charge: The applicable authorized overrun charge per MMBtu multiplied by the Authorized Overrun Quantity scheduled for Shipper for the month under this rate schedule; plus
- (c) Imbalance Charges: The applicable imbalance charges assessed pursuant to Section 6 of the General Terms and Conditions of this Tariff; plus

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**Original Sheet No. 33** Original Sheet No. 33

IT RATE SCHEDULE  
INTERRUPTIBLE TRANSPORTATION SERVICE

3. RATE (Continued)

3.3 Monthly Bill. (Continued)

- (d) Scheduling Penalties: The applicable scheduling penalties assessed pursuant to Section 6 of the General Terms and Conditions of this Tariff; plus
- (e) Unauthorized Contract Overrun Penalties: The applicable unauthorized contract overrun penalties assessed pursuant to Section 6 of the General Terms and Conditions of this Tariff; plus
- (f) Other Applicable Charges: The applicable surcharges provided for in Sections 12 and 13 of the General Terms and Conditions of this Tariff; less
- (g) Penalty Revenue Credit: The revenue credit provided for in Section 29.2 of the General Terms and Conditions of this Tariff.

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**Original Sheet No. 34** Original Sheet No. 34

IT RATE SCHEDULE  
INTERRUPTIBLE TRANSPORTATION SERVICE

3. RATE (continued)

3.4 Shipper Reimbursement. Transporter shall not be obligated to install additional facilities, other than those specified in Section 11.1 herein, that are required to provide service under this FERC Gas Tariff, First Revised Volume No. 1; provided, however, Transporter may install or Shipper may pay all of the expenses incurred for installing additional facilities on a nondiscriminatory basis and under terms that are mutually agreeable. In the event Transporter incurs the cost of installing additional facilities on behalf of a Shipper, Shipper shall pay, in addition to the rate(s) stated in the applicable rate schedule, the prorated (based on Transportation Contract Demand) cost of service attributable to any such additional facilities until such time as a different allocation procedure is specified by Commission order.

4. NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

If Shipper desires transportation of natural gas on any day under this rate schedule, Shipper shall provide a nomination to Transporter in accordance with Section 4 of the General Terms and Conditions of this Tariff. Based upon the nomination of Shipper, Transporter shall schedule receipts and deliveries of gas in accordance with the General Terms and Conditions of this Tariff. It is the responsibility of Shipper to adjust its deliveries and receipts to conform to the General Terms and Conditions.

IT RATE SCHEDULE  
INTERRUPTIBLE TRANSPORTATION SERVICE

4. NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES (continued)

Daily deliveries of gas by Shipper to Transporter at the Receipt Point(s) hereunder shall be as nearly equal as possible to daily receipts of gas by Shipper from Transporter at the Delivery Point(s) (taking into account the Measurement Variance Gas Quantity). Any excess or deficiency in such receipts and deliveries shall be resolved in accordance with Section 6 of the General Terms and Conditions of this Tariff.

5. OTHER OPERATING CONDITIONS

Transporter's obligation to provide service under this rate schedule is subject to the following conditions being satisfied:

- 5.1 Shipper shall make all necessary arrangements with other parties at or upstream of the Receipt Point(s) where Shipper tenders gas to Transporter for transportation, and at or downstream of the Delivery Point(s) where Transporter delivers gas for Shipper's account, which arrangements must be compatible with Transporter's system operations and Shipper's service entitlements.
- 5.2 To the extent that any upstream entity involved in handling Shipper's gas refuses or is unable to deliver gas to Transporter in sufficient quantities and at sufficient pressures, Transporter shall not be required to continue deliveries of gas on behalf of Shipper. To the extent that any downstream entity involved in handling Shipper's gas refuses or is unable to receive gas from Transporter, Transporter shall have the right to reduce deliveries of gas on behalf of Shipper.
- 5.3 The daily quantities of natural gas transported shall be delivered by Shipper to Transporter at the Receipt Point(s) and accepted by Shipper from Transporter at the Delivery Point(s) at an hourly rate of 1/24 of the scheduled daily quantity, or such other hourly rate as may be acceptable to Transporter.

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**Original Sheet No. 36** Original Sheet No. 36

IT RATE SCHEDULE  
INTERRUPTIBLE TRANSPORTATION SERVICE

6. RECEIPT POINT(S) AND DELIVERY POINT(S)

6.1 All interconnections between the facilities of Transporter and the facilities of other operators shall be available for use by Shipper as Receipt Point(s).

6.2 All interconnections between the facilities of Transporter and the facilities of other operators shall be available for use by Shipper as Delivery Point(s).

7. GENERAL TERMS AND CONDITIONS

The applicable General Terms and Conditions of this FERC Gas Tariff are hereby made a part of this rate schedule.

PL RATE SCHEDULE  
PARKING AND LENDING SERVICE

1. AVAILABILITY

This rate schedule is available for the parking and lending of natural gas by Tuscarora Gas Transmission Company (hereinafter called "Transporter") for any party (hereinafter called "Shipper"), when:

- (a) Shipper has made a valid request for parking and lending service and has met the standards set forth in Section 3 of the General Terms and Conditions of the Transporter's FERC Gas Tariff of which this rate schedule is a part; and
- (b) Sufficient pipeline capacity exist to effectuate such service without any construction of facilities or other investment by Transporter; and
- (c) Shipper has executed a Parking and Lending Service Agreement in the form contained in the Transporter's FERC Gas Tariff of which this rate schedule is a part.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Parking and Lending Service Rate Schedule and the rate set forth herein shall apply to all parking and lending service rendered under the Parking and Lending Service Agreement. The service provided hereunder is subject to curtailment or interruption as Transporter deems necessary. It shall be provided to the extent Transporter is able and willing to offer such service and the provision of such service shall not prevent Transporter from meeting all of its firm and interruptible transportation service obligations, including Transporter's system needs.
- 2.2 Natural gas may be parked or loaned for a minimum period of one day and for a period up to one calendar month, and such period may be extended with Transporter's permission.
- 2.3 Transporter shall establish and maintain a Parking and Lending Account for each Shipper utilizing the services herein. A credit balance indicates natural gas parked on Transporter's pipeline system; whereas, a debit balance indicates natural gas loaned by Transporter to the Shipper. The Parking and Lending Account balance will be stated in dekatherms.

PL RATE SCHEDULE  
PARKING AND LENDING SERVICE

2.4 To the extent tendered by Shipper or Shipper's agent, Transporter shall receive from Shipper, or for the account of Shipper, at points on Transporter's system (hereinafter referred to as "Receipt Point(s)") for parking or repayment of loaned natural gas at the receipt points specified in Shipper's Parking and Lending Service Agreement. Such quantities received shall be credited to Shipper's Parking and Lending Account.

3. RATES

3.1 Unit Rates. The applicable maximum and minimum unit rates are set forth in the currently effective Sheet No. 6 of this FERC Gas Tariff and are hereby incorporated herein. The applicable unit rate to be charged on any day by Transporter for parking and lending service shall not be in excess of the maximum unit rate nor less than the minimum unit rate. The minimum and maximum rates are applicable whether the balance in the Parking and Lending Account is a credit or debit balance.

3.2 Negotiated Rates. Notwithstanding any provision of Transporter's Tariff to the contrary, Transporter and Shipper may mutually agree in writing to a Negotiated Rate (including a Negotiated Rate Formula) with respect to the rates, rate components, charges, or credits that are otherwise prescribed, required, established, or imposed by this Rate Schedule or by any other applicable provision of Transporter's Tariff.

Such Negotiated Rate shall be set forth in Exhibit B to the PL Transportation Service Agreement and Transporter shall make any filings with the Commission necessary to effectuate such Negotiated Rate.

Shippers paying a Negotiated Rate which exceeds the maximum applicable tariff rate shall be considered to be paying the maximum applicable tariff rate for purposes of scheduling, curtailment, and interruption, and calculating the economic value of a request for available or unsubscribed capacity.

3.3 Monthly Bill. The monthly bill for Parking and Lending Service shall be the product of the daily account balance of gas in Shipper's Parking and Lending Account and the maximum parking service rate set forth in the current Rate Sheets unless Transporter elects to discount such rates.

3.4 Billing Adjustment. If, on any day, Shipper nominates quantities of gas to be withdrawn or borrowed from its Parking and Lending Account but Transporter is unable to schedule all such quantities nominated, Transporter shall suspend the rate charges for that quantity not scheduled until Transporter is able to schedule the quantity nominated.

PL RATE SCHEDULE  
PARKING AND LENDING SERVICE

4. NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERY

If Shipper desires to utilize the Parking and Lending service under this rate schedule, Shipper shall provide a nomination to Transporter in accordance with Section 4 of the General Terms and Conditions of this Tariff. Based upon the nomination of Shipper, Transporter shall schedule receipts into and deliveries from the Shipper's Parking and Lending Account in accordance with the General Terms and Conditions of this Tariff. It is the responsibility of Shipper to adjust its deliveries and receipts to conform to the General Terms and Conditions of this Tariff.

5. OTHER OPERATING CONDITIONS

- 5.1 Transporter may require Shipper to withdraw or repay all, or any portion, of the gas quantities parked or borrowed from Transporter within thirty (30) days of Transporter's notice to Shipper. In the event of an Operational Flow Order, the notice and compliance requirements will be provided pursuant to Section 34 of the General Terms and Conditions. If Shipper fails to arrange for the withdrawal of parked quantities specified by Transporter in its Operational Flow Order, despite the availability of transportation capacity for withdrawal, Transporter shall take title to that parked quantity of gas that Shipper was instructed to withdraw, free and clear of any adverse claims. If Shipper fails to repay Transporter for loaned natural gas, Transporter will purchase natural gas and bill Shipper for the applicable costs associated with this purchase. Transporter's notice to Shipper may be verbal and in such case shall be followed by a written confirmation.
- 5.2 Not more than thirty (30) days after the termination of the Parking and Lending Service Agreement executed by Shipper under this Rate Schedule, Transporter will notify Shipper of Shipper's Parking and Lending Account balance. If there is a balance remaining, Shipper will nominate for withdrawal or repay such quantities within thirty (30) days of the date of Transporter's notice.
- 5.3 Parking and Lending Service shall be subject to curtailment pursuant to Section 5 of the General Terms and Conditions contained in this Tariff.

6. GENERAL TERMS AND CONDITIONS

The applicable General Terms and Conditions of this FERC Gas Tariff are hereby made a part of this rate schedule.

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**Sheet Nos. 40 - 49** Sheet Nos. 40 - 49

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**Original Sheet No. 50** Original Sheet No. 50

GENERAL TERMS AND CONDITIONS  
INDEX

Section	Descriptive Heading	Sheet No.
1.	Introductory Statement	52
2.	Definition of Terms	52
3.	Requests for Service/Credit Evaluations	66
4.	Nominations, Allocation of Capacity and Pooling	82
5.	Curtailement	92
6.	Balancing, Adherence to Scheduling, and Contract Overruns	93
7.	Delivery and Receipt Points	100
8.	Uniform Pressure and Quantity	102
9.	Quality	102
10.	Measurement	105
11.	Measuring Equipment	106
12.	FERC Annual Charge Adjustment	110
13.	Billings and Payments	110
14.	Possession of Gas	117
15.	Warranty of Title to Gas	117
16.	Operating Information and Estimates	119
17.	Other Operating Conditions	119
18.	Discretionary Waiver	120
19.	Liability and Remedies	120
20.	Default	123

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FERC Docket: RP09-08-000

**Original Sheet No. 51** Original Sheet No. 51

GENERAL TERMS AND CONDITIONS  
INDEX

Section	Descriptive Heading	Sheet No.
21.	Nonwaiver of Future Default	123
22.	Notices, Communication, and Postings	124
23.	Compliance with Part 358 Standards of Conduct	134
24.	Indemnification	135
25.	Schedules and Contract Subject to Regulation	135
26.	Capacity Release	135
27.	Pregranted Abandonment & the Right of First Refusal	160
28.	Title Transfer Tracking	168
29.	Revenue Credit	174
30.	Discounts	177
31.	Policy with respect to Construction of Laterals	179
32.	Negotiated Rates	181
33.	Reservation of Capacity For Expansion Projects	183
34.	Operational Flow Order Procedures	185
35.	Sales of Excess Gas	188

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FERC Docket: RP09-926-000

**First Revised Sheet No. 52** First Revised Sheet No. 52  
Superseding: Original Sheet No. 52

GENERAL TERMS AND CONDITIONS

1. INTRODUCTORY STATEMENT

Except where expressly stated otherwise, the General Terms and Conditions of Transporter's currently effective FERC Gas Tariff shall apply to all natural gas service rendered by Transporter under any Transportation Service Agreement, including service under the FT Rate Schedule, the LFS Rate Schedule, the IT Rate Schedule and the PL Rate Schedule.

2. DEFINITION OF TERMS

Except where another meaning is expressly stated, the following terms shall have the following meanings when used in this Tariff and in any Transportation Service Agreement incorporating this Tariff:

- 2.1 FT Rate Schedule. The term "FT Rate Schedule" shall mean the FT Rate Schedule of Transporter's currently effective FERC Gas Tariff, as maybe revised from time to time, or any superseding rate schedule(s).
- 2.2 IT Rate Schedule. The term "IT Rate Schedule" shall mean the IT Rate Schedule of Transporter's currently effective FERC Gas Tariff, as may be revised from time to time, or any superseding rate schedule(s).
- 2.3 Transporter. The term "Transporter" shall mean Tuscarora Gas Transmission Company or its successors or assignees.
- 2.4 Shipper and Shipper's Agent.
  - (a) The term "Shipper" shall mean any entity seeking or subscribing to transportation service on Transporter's system pursuant to the terms and conditions of Transporter's currently effective FERC Gas Tariff.
  - (b) The term "Shipper's Agent" shall mean any party shipper may contract with for purposes of administering Shipper's Service Agreement with Transporter. An agent has only those rights designated in writing by such Shipper to Transporter.
- 2.5 FERC or Commission. The term "FERC" or "Commission" shall mean the Federal Energy Regulatory Commission or any successor agency having jurisdiction over this Tariff.
- 2.6 Gas Day [NAESB WGQ Standard 1.3.1]. The term "Gas Day" shall mean 9:00 A.M. to 9:00 A.M. Central Clock Time (7:00 A.M. to 7:00 A.M. PCT).
- 2.7 Month. The term "Month" shall mean the period beginning at 9:00 A.M. Central Clock Time (7:00 A.M. PCT) on the first day of the calendar month and ending at 9:00 A.M. Central Clock Time (7:00 A.M. PCT) on the first day of the next succeeding calendar month.

GENERAL TERMS AND CONDITIONS

2. DEFINITION OF TERMS (continued)

- 2.8 Year. The term "Year" shall mean any period of 12 consecutive months.
- 2.9 Contract Year. The term "Contract Year" with respect to the first "Contract Year" shall mean the period commencing on the date deliveries first commence under a Transportation Service Agreement and ending at 9:00 A.M. Central Clock Time (7:00 A.M. PCT) on the following November 1, and with respect to any succeeding "Contract Year" shall mean the period of 12 consecutive months from the end of the preceding contract year to 9:00 A.M. Central Clock Time (7:00 A.M. PCT) on the next succeeding November 1.
- 2.10 Commencement Date. The term "Commencement Date" shall be the date on which transportation service begins, as mutually agreed by Shipper and Transporter as set forth in a Transportation Service Agreement, or in the case where facilities are required to be constructed by Transporter to enable service to Shipper, the date on which the facilities required to enable Transporter to render transportation service to Shipper are constructed, installed and made operational, as set forth in Transporter's written notice to Shipper, which shall be given not less than five days prior to the date on which the transportation service shall begin, unless Shipper and Transporter mutually agree to a shorter notice period.
- 2.11 Central Clock Time. The term "Central Clock Time" refers to Central Daylight Savings Time when in effect and Central Standard Time at all other times.
- 2.12 Cubic Foot. The reporting basis for gas volumes as cubic foot at standard conditions of 14.73 psia, 60 degrees F, and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry.
- 2.13 Mcf. The term "Mcf" shall mean 1,000 cubic feet of gas. The term "MMcf" shall mean one million (1,000,000) cubic feet of gas.
- 2.14 British Thermal Unit or Btu.
- (a) Refer to General Terms and Conditions Section 2.15, (Dekatherm or Dth) of this tariff for definition of British Thermal Unit or Btu.
- (b) [NAESB WGQ Standard 2.3.9] Standardize the reporting basis for Btu as 14.73 psia and 60 degrees F (101.325 kPa and 15 degrees C, and dry). Standardize the reporting basis for gigacalorie as 1.035646 Kg/cm<sup>2</sup> and 15.6 degrees C and dry.

GENERAL TERMS AND CONDITIONS

2. DEFINITION OF TERMS (continued)
- 2.15 Dekatherm or Dth [NAESB WGQ Standard 1.3.14]. The standard quantity for nominations, confirmations and scheduling is dekatherms per gas day in the United States, gigajoules per gas day in Canada and gigacalories per gas day in Mexico. (For reference 1 dekatherm = 1,000,000 Btu's; 1 gigajoule = 1,000,000,000 joules; and 1 gigacalorie = 1,000,000,000 calories.) For commercial purposes, the standard conversion factor between dekatherms and gigajoules is 1.055056 gigajoules per dekatherm and between dekatherms and gigacalories is 0.251996 gigacalories per dekatherm. The standard Btu is the International Btu, which is also called Btu(IT); the standard joule is the joule specified in the SI system of units. See Footnote 1
- 2.16 Bid Period. The period of time during which a Shipper may bid to contract for a parcel which has been posted as unsubscribed capacity or as available for release by a Releasing Shipper.
- 2.17 Recourse Rate. The term Recourse Rate shall mean the applicable maximum rate that would apply to a service but for the negotiated rate flexibility allowed under Section 32 of these General Terms and Conditions.
- 2.18 Negotiated Rate. The term Negotiated Rate shall mean a rate (including a Negotiated Rate Formula) that Transporter and a Shipper have agreed will be charged for service under Rate Schedule FT, LFS, IT, or PL where, for all or a portion of the contract term, one or more of the individual components of such rate may exceed the maximum rate, or less than the minimum rate, for such component set forth in Transporter's tariff for the given service. Any Agreement entered into after the effective date of this subsection which provides for a rate under Rate Schedule FT, LFS, IT, or PL other than the applicable maximum rate shall contain a provision setting out the mutual agreement of the parties as to whether the pricing terms represent a discounted rate or a negotiated rate.
- 2.19 Negotiated Rate Formula. The term Negotiated Rate Formula shall mean a rate formula that Transporter and a Shipper have agreed will apply to service under a specific contract under Rate Schedule FT, LFS, IT, or PL which results in a rate where, for all or a portion of the contract term, one or more of the individual components of such rate may exceed the maximum rate, or may be less than the minimum rate, for such component set forth in Transporter's tariff for the given service.

Footnote 1 - The International Btu is specified for use in the gas measurement standards of the American Gas Association, the American Petroleum Institute, the Gas Processors Association and the American Society for Testing Materials. For non-commercial purposes, these associations note that the exact conversion factor is 1.05505585262 Gigajoules per Dekatherm.

GENERAL TERMS AND CONDITIONS

2. DEFINITION OF TERMS (continued)

- 2.20 Total Heating Value. The term "total heating value," when applied to a cubic foot of gas, means the number of British thermal units produced by the combustion in a recording calorimeter, with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of the gas and air, and when the water formed by combustion is condensed to the liquid state.
- 2.21 Gas. The term "gas" shall mean natural gas of the quality specified in Section 9 of these General Terms and Conditions.
- 2.22 System Capacity. The term "system capacity" for purposes of scheduling receipts and deliveries shall mean the capacity available for transportation on Transporter's system that shall be determined by Transporter, to the best of its ability, by performing a computer simulation of the system, taking into account nominated Scheduled and Equivalent Quantities, the available facilities, the gas characteristics and the linepack gain or loss required for that day.
- 2.23 Delivery and Receipt Points.
- (a) The term "Delivery Point" shall mean a point at which Shipper or Shipper's Agent is authorized by the Transportation Service Agreement to take gas from Transporter.
- (b) The term "Receipt Point" shall mean a point at which Shipper or Shipper's Agent is authorized to deliver natural gas to Transporter.
- 2.24 Business Day [NAESB WGQ Standard 3.2.1]. The term "Business Day" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico.

GENERAL TERMS AND CONDITIONS

2. DEFINITION OF TERMS (continued)

2.25 Input Quantities.

- (a) The term "Input Quantity" for each gas day at a Receipt Point shall be the quantity of natural gas which is delivered to Transporter at the Receipt Point by or on behalf of Shipper.
- (b) The term "Maximum Input Quantity" for a Receipt Point shall be the maximum quantity of natural gas per gas day which a Shipper under the FT or LFS Rate Schedule is entitled to request Transporter to receive on a firm basis at a Receipt Point for transportation under Shipper's Transportation Service Agreement (subject to adjustment for the Measurement Variance Gas Quantity) as set forth in the Transportation Service Agreement between Shipper and Transporter.
- (c) The term "Scheduled Input Quantity" for a Receipt Point shall be the Input Quantity which is nominated by Shipper and scheduled by Transporter for transportation service through such Receipt Point on a given gas day in accordance with Section 4 of these General Terms and Conditions.

2.26 Equivalent Quantities.

- (a) The term "Equivalent Quantity" shall be that quantity of natural gas to be made available on any gas day to or on behalf of Shipper at one or more Delivery Point(s), which quantity shall be the thermal equivalent of the sum of the Input Quantities delivered to Transporter at all Receipt Point(s) by or on behalf of Shipper on that gas day, adjusted for the Measurement Variance Gas Quantity.
- (b) The term "Maximum Equivalent Quantity" shall be the maximum quantity which Shipper may request Transporter to make available at each Delivery Point, as set forth in the Transportation Service Agreement between Shipper and Transporter.
- (c) The term "Scheduled Equivalent Quantity" for a Delivery Point shall be the portion of the Equivalent Quantity (not to exceed the Maximum Equivalent Quantity) which is nominated by Shipper and scheduled by Transporter for transportation service through such Delivery Point on a given gas day in accordance with Section 4 of the General Terms and Conditions of Transporter's currently effective FERC Gas Tariff, or such other quantity as determined through application of said Section 4.

GENERAL TERMS AND CONDITIONS

2. DEFINITION OF TERMS (continued)

- 2.27 Maximum Transportation Quantity. The term "Maximum Transportation Quantity" shall be the maximum quantity of gas that Shipper may provide to Transporter for redelivery at all Delivery Points on any day, as set forth in the Transportation Service Agreement between Shipper and Transporter.
- 2.28 Measurement Variance Gas Quantity. The "Measurement Variance Gas Quantity" shall be equal to the product of the applicable Measurement Variance Gas Factor and the Input Quantity. The Measurement Variance Gas Quantity includes fuel and lost and unaccounted for gas. In the event of a positive Measurement Variance Gas Quantity the sum of Shipper's Input Quantities shall be reduced by the Measurement Variance Gas Quantity to yield the sum of Shipper's Equivalent Quantities. In the event of a negative Measurement Variance Gas Quantity the sum of Shipper's Input Quantities shall be increased by the Measurement Variance Gas Quantity to yield the sum of Shipper's Equivalent Quantities.
- 2.29 Measurement Variance Gas Factor (MVGF). The Measurement Variance Gas Factor shall be the applicable percentage, determined on a monthly basis pursuant to this Section 2.25, to account for and recover lost and unaccounted for gas on Transporter's system. The monthly percentage shall be within the minimum and maximum percentages set forth in the applicable rate schedule. At least ten days prior to the beginning of each month ("Applicable Month"), Transporter will publish the Measurement Variance Gas Factor via its Internet website. The monthly Measurement Variance Gas Factor shall be calculated in the following manner:

$$\frac{\text{Receipts} - \text{Deliveries} \pm \text{Linepack Change} \pm \text{Prior Account}}{\text{Forecasted Receipts For The Applicable Month}}$$

Where:

Receipts = Actual measured volumes received by Transporter at Receipt Points for transportation during the month ending one month prior to the Applicable Month ("Measurement Month").

Deliveries = Actual measured volumes delivered by Transporter to Delivery Points during the Measurement Month.

GENERAL TERMS AND CONDITIONS

2. DEFINITION OF TERMS (continued)

2.29 Measurement Variance Gas Factor (MVGf). (continued)

Linepack Change = The change which occurred during the Measurement Month in linepack gas contained within Transporter's System, including changes due to company use of gas for fuel or otherwise but excluding any changes due to sales and purchases of gas pursuant to Section 35 of these General Terms and Conditions.

Prior Account = Any measurement variance gas which has been over or under collected during the month prior to the Measurement Month.

Forecasted Receipts  
For The Applicable

Month = The forecasted receipts for the month in which the measurement variance will be applied.

A positive Measurement Variance Gas Factor represents a loss in Transporter's Measurement Variance Gas. A negative Measurement Variance Gas Factor represents a gain in Transporter's Measurement Variance Gas.

2.30 Fuel Reimbursement.

(a) [NAESB WGQ Standard 1.3.16] Where fuel reimbursement is in kind, the standard fuel calculation mechanism, as this is related to the nomination process, should be  $(1 - \text{fuel}\% / 100)$  multiplied by receipt quantity = delivery quantity.

(b) [NAESB WGQ Standard 1.3.28] For current in-kind fuel reimbursement procedures, fuel rates should be made effective only at the beginning of the month.

2.31 Nomination [NAESB WGQ Standard 1.2.1]. The level of information required to define a nomination for communications purposes is a line item containing all defined components.

2.32 Intra-Day Nomination [NAESB WGQ Standard 1.2.4]. The term "intra-day nomination" is a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the gas day and runs through the end of that gas day.

2.33 Data Elements [NAESB WGQ Standard 1.2.2]. All trading partners should accept all NAESB standard data elements. Usage should be characterized as either mandatory, conditional, sender's option, business conditional, and mutually agreeable.

GENERAL TERMS AND CONDITIONS

2. DEFINITION OF TERMS (continued)

2.33 Data Elements. (continued)

Mandatory (M) means the data element (information) must be supplied in the transaction.

Conditional (C) means that the presence of data in a field is determined by the presence or lack of data in another field within the transmittal or related data sets.

Sender's option (SO) means that this element is optional for the sender to send and, if sent, the receiver should receive and process.

Business conditional (BC) means the data element is based on current variations in business practice. The business practice will be described herein, with an example. Over time, NAESB expects that as business practices are standardized, elements will move out of this category. Business Conditional elements which are not supported/required by the receiver will be acknowledged in the response document with a warning message code indicating that the data element was ignored by the receiver.

Mutually agreeable (MA) means that the data element is mutually agreed to between trading partners. It must be presented to NAESB for technical implementation. It does not, by its definition, create a NAESB standard business practice. Usage of this element in no way can be mandated for inclusion by either trading partner in order to achieve a level of service.

2.34 Critical Notices. The term "Critical Notices" should be defined to pertain to information on transportation service provider conditions that affect scheduling or adversely affect scheduled gas flow.

2.35 NAESB Standards. The term "NAESB Standards" shall mean the business practices, electronic communication, and data dictionary standards which were issued by the Wholesale Gas Quadrant (WGQ) of the North American Energy Standards Board (NAESB) and adopted by the Commission.

In addition to the NAESB standards incorporated within the text of other provisions of this FERC Gas Tariff, Tuscarora incorporates by reference the following standards by level of compliance:

NAESB Version 1.8  
0.2.1 through 0.2.3; 0.3.1; 0.3.2; 0.3.11 through 0.3.15; 0.4.1;  
1.2.5; 1.2.8 through 1.2.11; 1.3.8; 1.3.15; 1.3.23 through 1.3.25;  
(Continued)

GENERAL TERMS AND CONDITIONS

2. DEFINITION OF TERMS (continued)

2.35 NAESB Standards. (continued)

1.3.27; 1.3.29; 1.3.30; 1.3.31; 1.3.34 through 1.3.63; 1.3.70; 1.3.79;  
1.4.1 through 1.4.7; 2.3.1 through 2.3.8; 2.3.10; 2.3.12; 2.3.13;  
2.3.15 through 2.3.23; 2.3.25 through 2.3.28; 2.3.32 through 2.3.35;  
2.3.51 through 2.3.53; 2.3.65; 2.4.1 through 2.4.18; 3.3.1 through  
3.3.13; 3.3.20 through 3.3.24; 3.4.1 through 3.4.4; 4.2.1 through  
4.2.20; 4.3.1; 4.3.2; 4.3.3; 4.3.5; 4.3.16 through 4.3.18; 4.3.20;  
4.3.22 through 4.3.36; 4.3.38 through 4.3.62; 4.3.65 through 4.3.69;  
4.3.72 through 4.3.76; 4.3.78 through 4.3.87; 4.3.89 through 4.3.93;  
5.3.1; 5.3.4; 5.3.5; 5.3.9; 5.3.10; 5.3.11; 5.3.12; 5.3.16 through  
5.3.25; 5.3.28 through 5.3.33; 5.3.41; 5.3.42; 5.3.43; 5.3.50; 5.3.51;  
5.3.59; 5.4.1 through 5.4.23; 10.2.1 through 10.2.38; 10.3.1; 10.3.3  
through 10.3.25.

All NAESB standards incorporated within the text of other provisions of  
this FERC Gas Tariff are from NAESB Version 1.8.

2.36 Operational Flow Order.

- (a) [NAESB WGQ Standard 1.2.6] An operational flow order is an order  
issued to alleviate conditions, inter alia, which threaten or could  
threaten the safe operations or system integrity of the transportation  
service provider's system or to maintain operations required to provide  
efficient and reliable firm service. Whenever a Transportation Service  
Provider experiences these conditions, any pertinent order should be  
referred to as an Operational Flow Order.
- (b) [NAESB WGQ Standard 1.3.26] The declaration to the affected parties of  
operational flow orders, critical periods, and/or critical notices  
should describe the conditions and the specific responses required from  
the affected parties.

2.37 Elapsed-Prorated-Scheduled Quantity.

[NAESB WGQ Standard 1.2.12] Elapsed-prorated-scheduled quantity means  
that portion of the scheduled quantity that would have theoretically  
flowed up to the effective time of the intraday nomination being  
confirmed, based upon a cumulative uniform hourly quantity for each  
nomination period affected.

2.38 Elapsed Prorata Capacity.

[NAESB WGQ Standard 5.2.3] Elapsed Prorata Capacity means that  
portion of the capacity that would have theoretically been available  
for use prior to the effective time of the intraday recall based upon  
a cumulative uniform hourly use of the capacity.

GENERAL TERMS AND CONDITIONS

2. DEFINITION OF TERMS (continued)

2.39 Daily System Imbalance

- (a) The term "Daily System Imbalance" shall mean the difference on any given gas day, subject to adjustment for scheduled make-up quantities, between (a) the sum of the Scheduled Input Quantities under all of Shipper's Transportation Service Agreements at all Receipt Points at which Transporter receives quantities of gas for Shipper's account, exclusive of the applicable Measurement Variance Quantities, and (b) the sum of the Equivalent Quantities taken under all of Shipper's Transportation Service Agreements at all Delivery Points at which Transporter delivers gas for Shipper's account.
- (b) [NAESB WGQ Standard 2.3.30] All Transportation Service Providers should allow Service Requesters (SRs) (including agents of SRs) to net imbalances within the same Operational Impact Area on and across contracts with the SR and to trade imbalances within the same Operational Impact Area.

2.40 Electronic Notice Delivery [NAESB WGQ Standard 5.2.2]

Electronic Notice Delivery is the term used to describe the delivery of notices via Internet E-mail and/or EDI/EDM.

- 2.41 Title [NAESB WGQ Standard 1.2.13]. The term "Title," if not otherwise addressed in the transporter's contract or tariff, is the term used to identify the ownership of gas.
- 2.42 Operational Impact Area [NAESB WGQ Standard 2.2.2]. "Operational Impact Area" is the term used to describe a Transportation Service Provider's designation of the largest possible area(s) on its system in which imbalances have a similar operational effect.
- 2.43 Netting [NAESB WGQ Standard 2.2.3]. "Netting" is the term used to describe the process of resolving imbalances for a Service Requester within an Operational Impact Area. There are two types of Netting:
  - summing is the accumulation of all imbalances above any applicable tolerances for a Service Requester or agent.
  - offsetting is the combination of positive or negative imbalances above any applicable tolerances for a Service Requester or agent.

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FERC Docket: RP09-926-000

**Second Revised Sheet No. 62** Second Revised Sheet No. 62

Superseding: First Revised Sheet No. 62

GENERAL TERMS AND CONDITIONS

2. DEFINITION OF TERMS (continued)

- 2.44 PL Rate Schedule. The term "PL Rate Schedule" shall mean the PL Rate Schedule of Transporter's currently effective FERC Gas Tariff, as may be revised from time to time, or any superseding rate schedule(s).
- 2.45 Monthly Allocation [NAESB WGQ Standard 2.2.4]. "Monthly Allocation" is the term used to describe the process where the Allocating Party performs the allocation process at the end of the monthly flow period.
- 2.46 Daily Allocation [NAESB WGQ Standard 2.2.5]. "Daily Allocation" is the term used to describe the process where the Allocating Party performs the allocation process following each gas day.
- 2.47 LFS Rate Schedule. The term "LFS Rate Schedule" shall mean the LFS Rate Schedule of Transporter's currently effective FERC Gas Tariff, as may be revised from time to time, or any superseding rate schedule(s).
- 2.48 Existing Capacity. The term "Existing Capacity" shall mean capacity that has been in-service beyond the initial terms of Agreements that originally supported the construction of such capacity. Existing Capacity additionally includes capacity that is still within such initial terms where Shipper Agreements pertaining to the capacity have been terminated by the pipeline. Existing Capacity additionally includes unsubscribed capacity created as part of a pipeline expansion project.
- 2.49 Expansion Capacity. The term "Expansion Capacity" shall mean capacity that is added to the pipeline system as part of a system expansion project where such capacity is still within the initial contract term(s) of the Agreement(s) that originally supported the construction of such capacity. Expansion Capacity includes permanent releases of capacity that are within the initial term of an original Shipper's contract.
- 2.50 Asset Manager. "Asset Manager" is a party that agrees to manage gas supply and delivery arrangements, including transportation and storage capacity, for another party. The Asset Manager uses released capacity to serve the gas supply requirements of the releasing shipper and, when the capacity is not needed for that purpose, uses the capacity to make releases or bundled sales to third parties.

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*FERC Docket: RP09-08-000*

**Sheet Nos. 63 - 65** Sheet Nos. 63 - 65

RESERVED FOR FUTURE USE.

Effective Date: 04/30/2010 Status: Effective  
FERC Docket: RP10-552-000

**First Revised Sheet No. 66** First Revised Sheet No. 66  
Superseding: Original Sheet No. 66

GENERAL TERMS AND CONDITIONS

3. REQUESTS FOR SERVICE/CREDIT EVALUATIONS

- 3.1 Qualifications for Service. All Shippers requesting transportation service must provide the information required by this Section 3 of the General Terms and Conditions. No service shall be rendered until the availability provisions of the applicable rate schedule have been satisfied.

Requests for service should be directed to the following address:

Tuscarora Gas Transmission Company  
Marketing  
717 Texas Street, Suite 2400  
Houston, Texas 77002-2761  
Phone: 503/833-4300, Option 2

- 3.2 Available Capacity. For capacity that becomes available other than through the circumstances identified in Sections 26 and 27 of these General Terms and Conditions, requests for firm capacity shall be accommodated in the following manner and subject to the following conditions and limitations:

- (a) Future Sales of Capacity. Transporter may sell firm capacity with service Commencement Dates more than one year in the future, when such capacity is either available unsubscribed capacity or capacity that will become available and is not subject to a right of first refusal or unilateral evergreen provision, by either conducting an open season or by selling such capacity on a pre-arranged basis.

If Transporter conducts an open season, it will post notice of the open season on its Internet website for at least five (5) business days to afford all potential shippers an opportunity to acquire the capacity. Any potential shippers wishing to acquire capacity may request an immediate Commencement Date (if the capacity is currently available) or a future Commencement Date (if the capacity will become available in the future). Transporter will award capacity on an NPV basis consistent with Section 3.2 of these General Terms and Conditions.

(Continued)

GENERAL TERMS AND CONDITIONS

3. REQUESTS FOR SERVICE/CREDIT EVALUATIONS (Continued)

3.2 Available Capacity. (Continued)

(a) Future Sales of Capacity. (continued)

If Transporter sells capacity on a pre-arranged basis, Transporter will post the terms of the pre-arranged transaction and other parties will have an opportunity to bid on the capacity. At the time Transporter enters into a pre-arranged service agreement, Transporter will post a notice on its Internet website indicating that the prearranged capacity will be subject to an open bidding process within three (3) business days, even if such capacity has already been subject to an open season bidding process and is currently posted as available capacity. If another party submits a bid with a higher incremental economic value, the pre-arranged Shipper will have a one-time right to match the higher bid in order to retain the capacity. If the prearranged Shipper elects not to match a higher competing bid, the capacity will be awarded to the highest creditworthy bidder in accordance with Section 3.2(c). If there is an open season ongoing for certain capacity, Transporter will not enter into a pre-arranged deal for that capacity during the open season.

Transporter will separately identify on its Internet website all capacity that is anticipated to become available and is not subject to a right of first refusal or unilateral evergreen provision. Transporter will not enter into any pre-arranged deals for capacity that has not previously been posted on its Internet website.

Capacity that is reserved pursuant to this Section 3.2(a) will be made available for transportation service on an interim basis up to the Commencement Date of the service agreement for such capacity. For such interim service agreements, Transporter reserves the right to limit Shipper extension rights, including the right of first refusal, within the service agreement. Transporter will indicate in any open season posting of this capacity any limitations on extension rights that will apply to such interim transportation service.

(Continued)

GENERAL TERMS AND CONDITIONS

3. REQUESTS FOR SERVICE/CREDIT EVALUATIONS (Continued)

3.2 Available Capacity. (Continued)

(b) Unsubscribed Capacity. Transporter will post unsubscribed capacity on its Internet website. A requestor that submits a valid request may submit a bid for the unsubscribed capacity subsequent to Transporter's posting of such capacity on the website. The Bid Period will be a minimum of 1 business day for capacity available for up to one month; a minimum of 3 business days for capacity available for greater than one month but less than one year; and a minimum of 5 business days for capacity available for one year or more. All bids not withdrawn prior to the close of the Bidding Period shall be binding. At the end of the Bidding Period, Transporter will evaluate any bids submitted and determine the bid(s) having the greatest economic value as determined in Section 3.2(c).

If no bids are submitted, or if Transporter does not accept any bid(s), Transporter will award such capacity on a first-come, first-served basis to shippers that offer the maximum recourse rate or an acceptable discounted or negotiated rate.

(c) Valuation of Bids. Unless otherwise specified in its open season posting, when evaluating bids for firm capacity with terms of less than one year, the bid(s) with the greatest economic value will be the bid(s) with the highest net present value ("NPV") based on (1) the reservation charge and any proposed usage charge revenues guaranteed by a minimum volume commitment or otherwise that requestor(s) would pay at the rates the requestor(s) has bid, and (2) the term of service specified in the request. If the economic values of separate bids are equal, then service shall be offered to such requestors on a pro-rata basis.

The NPV is the discounted cash flow of the bid according to the following formula, net of revenues lost or affected by the requests for service:

$$\text{Present Value per} = P * R * \frac{(1 + i)^n - 1}{i(1 + i)}$$

(Continued)

GENERAL TERMS AND CONDITIONS

3. REQUESTS FOR SERVICE/CREDIT EVALUATIONS (Continued)

3.2 Available Capacity. (Continued)

(c) Valuation of Bids. (Continued)

Where: P = percent of the rate or charge that the Shipper is willing to pay.

R = rate or charge calculated as: The applicable maximum authorized reservation charge(s) per Dth in effect at the time of the bid for service.

i = FERC's annual interest rate divided by 12.

n = number of periods for which the bidder wishes to contract.

The NPV formula will be affected by the term and rate requested. In the event Transporter intends to entertain bids for service under index-based or other Negotiated Rate Formulae, the future value of which cannot be determined at the time of the bidding, Transporter shall estimate the future revenues to be received under the Negotiated Rate Formula using currently available data.

Unless otherwise specified in its open season posting, when evaluating bids for long-term firm capacity with terms of one year or more, Transporter shall adjust the NPVs of those shippers that have not met the creditworthiness criteria of Section 3.5 of the General Terms and Conditions of this tariff by applying an additional factor: Shipper's probability of default for the applicable bid term.

The NPV for non-creditworthy shippers is the discounted cash flow of the bid according to the following formula, net of revenues lost or affected by the requests for service:

$$\text{Present Value per} = P \times R \times (1 - PD) \times \frac{(1 + i)^n - 1}{i(1 + i)}$$

Where: P = percent of the rate or charge that the Shipper is willing to pay.

R = rate or charge calculated as: The applicable maximum authorized reservation charge(s) per Dth in effect at the time of the bid for service. (continued)

GENERAL TERMS AND CONDITIONS

3. REQUESTS FOR SERVICE/CREDIT EVALUATIONS (Continued)

3.2 Available Capacity. (Continued)

(c) Valuation of Bids. (Continued)

PD = shipper's probability of default for the applicable bid term relative to a BBB rated shipper. The numeric value of PD is a non-creditworthy shipper's probability of default for the applicable bid term minus the probability of default of a BBB rated shipper for the applicable bid term.

i = FERC's annual interest rate divided by 12.

n = number of periods for which the bidder wishes to contract.

The NPV formula applicable to the non-creditworthy shippers will be affected by the term and rate requested and Shipper's probability of default.

As part of an open season posting, Transporter will provide a probability of default table. Transporter will use Standard & Poor's most recent fifteen-year "Cumulative Average Default Rates By Rating Modifier" table, as extrapolated to reflect the maximum bid term to be used for evaluation purposes, to quantify a non-creditworthy Shipper's probability of default. The probability of default table will define a bidder's probability of default based upon 1) the applicable bid term and 2) the credit rating of the shipper. In order to increase the NPV of its bid, a non-creditworthy Shipper may elect to post additional collateral, prior to the end of the bid period, in an amount equal to the difference in dollars between bid NPVs calculated using 1) the probability of default associated with the bidding Shipper's actual long-term unsecured debt rating and applicable bid term and 2) the probability of default associated with a BBB rating and the same bid term ("NPV Difference"). A non-creditworthy shipper's actual collateral requirement shall equal three (3) months worth of reservation charges or the NPV Difference, whichever is greater. Shipper credit ratings will be determined consistent with Section 3 of these General Terms and Conditions.

The specific bid evaluation methodology to be used, including, where applicable, the data to be used for evaluation of Negotiated Rate Formula bids, will be included as part of Transporter's open season posting under Section 3.2 with sufficient specificity to allow a prospective shipper to calculate the value of its bid and duplicate Transporter's results.

(continued)

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**Original Sheet No. 70A** Original Sheet No. 70A

GENERAL TERMS AND CONDITIONS

3. REQUESTS FOR SERVICE/CREDIT EVALUATIONS (Continued)

3.2 Available Capacity. (Continued)

(c) Valuation of Bids. (Continued)

Irrespective of whether a bid(s) has the highest NPV of the bids received, Transporter may reject bids for service that (i) may detrimentally impact the operational integrity of Transporter's system; (ii) do not satisfy all the terms of the specified posting; or (iii) contain terms and conditions other than those set forth in Transporter's FERC Gas Tariff.

If the NPV of any Negotiated Rate revenues would exceed the NPV of the revenue stream produced by paying the Maximum Rate over the same period of time, then the Shipper bidding the Negotiated Rate shall be considered to be paying the Maximum Rate for purposes of determining the bid with the greatest economic value.

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**Substitute Original Sheet No. 71** Substitute Original Sheet No. 71  
Superseding: Original Sheet No. 71

GENERAL TERMS AND CONDITIONS

3. REQUESTS FOR SERVICE/CREDIT EVALUATIONS (Continued)

3.3 Information to be Included in Request for Service. Any request shall include the following:

- (a) Type of Service. A statement that Shipper is requesting firm reserved transportation service under the FT or LFS Rate Schedules or interruptible transportation service under the IT Rate Schedule as those services are defined in Section 2 hereof and in those rate schedules.
- (b) Receipt/Delivery Point(s). In the case of service under the FT and LFS Rate Schedules, the Primary Receipt Point(s) and Primary Delivery Point(s) for the requested transportation service.
- (c) Gas Quantities. In the case of firm service, the Maximum Input Quantity for which Shipper requests transportation service at each Receipt Point(s) and the Maximum Equivalent Quantity for which Shipper requests transportation service at each Delivery Point(s), stated in Dekatherms per gas day. In the case of both firm and interruptible service, the Maximum Transportation Quantity and the estimated total quantities for which Shipper is requesting transportation over the term of the Transportation Service Agreement stated in Dekatherms.
- (d) Term. The proposed commencement and termination dates of service.
- (e) Facilities. Identification and location of any facilities to be constructed or installed by any party which are necessary for receipt of gas by Transporter or for delivery to or utilization of gas by Shipper or direct or indirect customers of Shipper.

3.4 Credit Evaluation. Transporter shall not be required to perform or continue transportation service under this FERC Gas Tariff on behalf of any Shipper who, after Transporter's request, fails to establish or confirm creditworthiness or provide credit support. If Shipper is found by Transporter to be non-creditworthy, Transporter will, upon request, inform Shipper in writing as to the reasons Shipper has been deemed non-creditworthy.

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GENERAL TERMS AND CONDITIONS

3. REQUESTS FOR SERVICE/CREDIT EVALUATIONS (Continued)

3.4 Credit Evaluation. (Continued)

If Shipper's credit standing ceases to meet Transporter's credit requirements during the period of service, then Transporter has the right to require credit alternatives as specified herein. Upon notification by Transporter that Shipper no longer meets Transporter's creditworthiness standards, Shipper must, within five (5) business days, pay for one month of service in advance to continue service. Shipper must, within thirty (30) days, provide Shipper's choice of one of the credit alternatives specified in Section 3.5(b) of these General Terms and Conditions. Transporter may deny subsequent requests to substitute credit assurances on a not unduly discriminatory basis and will provide Shipper with a written explanation of any denial of a request to substitute credit assurances. If Shipper fails to provide one of the credit alternatives within these time periods, Transporter may suspend service immediately (Shippers are not responsible for reservation charges after service is suspended) and may provide simultaneous written notice to Shipper, the Commission, and any replacement Shipper(s) that service will be terminated in thirty (30) days. In addition, Transporter may exercise any other remedy available to it hereunder, at law or in equity.

Transporter will set credit limits at 10% of a Shipper's Tangible Net Worth; defined as Shipper's total assets, less liabilities, less intangible assets, less off-balance sheet items. Transporter may extend additional credit on a not unduly discriminatory basis based upon Transporter's evaluation of the following types of information: S&P and Moody's opinions, watch alerts, and rating actions; Shipper's payment history, balance sheets, income statements, cash flow statements, and auditors notes, in addition to key ratios and trends regarding liquidity, asset management, debt management, debt coverage, capital structure, operational efficiency, and profitability. If Shipper provides a guarantee, Transporter will set a credit limit for the shipper based upon a credit appraisal of the guarantor. Credit limits may be modified by Transporter when Shipper's financial conditions change. If Shipper's credit limit is insufficient to cover that portion of Shipper's total contractual obligation for the 2-year period ending 2 years from the date of the evaluation, Transporter shall be entitled to require, on a not unduly discriminatory basis, credit alternatives as described herein. Shipper's total contractual obligation is the present value of all firm contracts, plus the amount necessary to collateralize all of Shipper's interruptible agreements.

GENERAL TERMS AND CONDITIONS

3. REQUESTS FOR SERVICE/CREDIT EVALUATIONS (Continued)

3.4 Credit Evaluation. (Continued)

A prospective Shipper must provide the following information for credit evaluation:

- (a) copies of audited financial statements for the Shipper's two (2) most recent fiscal years;
- (b) a copy of Shipper's most recent Annual Report and, if applicable, 10-K form;
- (c) a list of Shipper's affiliates, including parents and subsidiaries, if applicable; and
- (d) such other information as Transporter may reasonably require to assess Shipper's creditworthiness including, but not limited to, Shipper's credit history with other providers of natural gas service.

Within three (3) business days, or such later date acceptable to Transporter, an existing Shipper shall provide such information as is reasonably requested by Transporter to confirm Shipper's qualification for service.

A prospective Shipper need not provide the information requested in this section if the Shipper provides adequate credit alternatives in accordance with Section 3.5 hereunder.

GENERAL TERMS AND CONDITIONS

3. REQUESTS FOR SERVICE/CREDIT EVALUATIONS (Continued)

3.5 Creditworthiness for Firm Transportation

- (a) A firm Shipper will be considered creditworthy, and Transporter will extend credit, if Shipper satisfies the requirements of (1) and (2) below.

- (1) A Shipper will be deemed to represent a reasonable credit risk if either (A) or (B) is satisfied.

- (A) Shipper's long-term unsecured debt securities, at the time Shipper enters into a Transportation Service Agreement (or precedent agreement) and throughout the term thereof, are rated BBB or better by Standard & Poor's Corporation or Baa2 by Moody's Investors Service.

If Shipper's debt is not rated by a recognized debt rating service, Shipper may request an equivalent rating as determined by Transporter, based upon the financial rating methodology, criteria and ratios for the industry of the Shipper as published by the above rating agencies from time to time. In general, such equivalent rating will be based on the audited financial statements for the Shipper's two (2) most recent fiscal years, all interim reports, and any other relevant information.

- (B) Transporter determines, in its sole discretion reasonably exercised, that, based upon factors such as the quantity and character of service requested, Shipper's credit history with other providers of natural gas service, and any other factors that a reasonable party in Transporter's position might consider, Shipper represents a reasonable credit risk. Transporter may exercise its discretion only to determine that Shipper is creditworthy when it otherwise fails to meet the objective criteria set forth in this Tariff. Transporter may not exercise its discretion to require Shipper to provide alternative credit support if Shipper satisfies the objective criteria set forth in this Tariff.

- (2) A Shipper will have a sufficient credit limit if 10% of a Shipper's Tangible Net Worth as determined by Transporter pursuant to Section 3.4 is sufficient to cover that portion of Shipper's total contractual obligation for the 2-year period ending 2 years from the date of evaluation.
- (3) Transporter will inform Shipper in writing as to the reasons Shipper has been deemed non-creditworthy.

GENERAL TERMS AND CONDITIONS

3. REQUESTS FOR SERVICE/CREDIT EVALUATIONS (Continued)

3.5 Creditworthiness for Firm Transportation (continued)

- (b) If Shipper does not establish or maintain creditworthiness as described above, Shipper may receive transportation service under this FERC Gas Tariff by providing one or more of the following credit alternatives:
  - (1) A cash security deposit for service via cleared check or wire transfer. For Existing Capacity, the deposit must be sufficient to cover up to the value of three months worth of reservation charges. For Expansion Capacity on lateral facilities, the pipeline will not require a deposit greater than Shipper's pro rata share of the total facilities costs, and such deposit will be reduced over time in proportion to Shipper's contract term. Transporter will accrue interest on cash security deposits at the actual interest rate earned. Interest will be paid by Transporter on an annual basis each September 1 or at the time Shipper's deposit is returned due to either a return to creditworthiness by Shipper or the expiration of Shipper's Agreement(s); or
  - (2) A letter of credit. For Existing Capacity, the letter of credit must be sufficient to cover up to the value of three months worth of reservation charges. For Expansion Capacity on lateral facilities, the pipeline will not require a letter of credit for an amount greater than Shipper's pro rata share of the total facilities costs, and such letter of credit will be reduced over time in proportion to Shipper's contract term. Such letter of credit or surety bond must be issued by a commercial bank or financial institution located in the United States whose long-term unsecured debt securities are rated A or better by Standard & Poor's, A or better by Dominion Bond Rating Service, or A2 or better by Moody's Investors Service; or
  - (3) A guarantee from a corporate affiliate or a third party in an amount equal to Shipper's total contractual obligation and, in a form satisfactory to Transporter and for the term of the Transportation Service Agreement. For such Shippers, the credit limit will be based upon the financials of the guarantor. If during the term of service the guarantor does not meet the creditworthiness standards discussed above, then Transporter may request additional credit alternatives if Transporter agrees to release the original guarantor of all obligations at the time the Shipper provides the additional assurances; or

GENERAL TERMS AND CONDITIONS

3. REQUESTS FOR SERVICE/CREDIT EVALUATIONS (Continued)

3.5 Creditworthiness for Firm Transportation (continued)

(b) (Continued)

- (4) Any other security mutually agreed upon by Shipper and Transporter. Such other security shall be accepted on a non-discriminatory basis.

3.6 Creditworthiness for Replacement Shippers.

The standards for Firm Transportation Service apply. However, a Releasing Shipper has the option of waiving the creditworthiness requirements for temporary releases of capacity for as long as the Releasing Shipper maintains compliance with Transporter's creditworthiness requirements.

3.7 Creditworthiness for Expansion Shippers.

Security requirements for Expansion Capacity will be separately identified within the non-discriminatory project requirements included as part of any open season for Expansion Capacity. The amount of security initially required for Expansion Capacity on lateral facilities will be determined by Transporter and may be up to the cost of the facilities to be constructed ("Maximum Allowable Security Requirement or MASR"). Where new lateral facilities serve multiple shippers, an individual shipper's maximum security obligation will be for no more than its proportionate share of the MASR ("Shipper's Maximum Security Obligation or SMSO"). Subsequent to Expansion Capacity on lateral facilities being placed into service, the SMSO shall be reduced in proportion to contract term. Shipper's actual security requirement, as identified within the open season project requirements, may be equal to or less than the SMSO ("Shipper's Actual Security Obligation or SASO"). When the SMSO equals the SASO held by Transporter, Transporter shall thereafter return Shipper's security on either a monthly basis or as mutually agreed with Shipper consistent with the reduction in SMSO. Transporter is only permitted to recover the cost of Expansion Capacity on lateral facilities once through either transportation rates or, in the event of shipper default, by means of the security provided through this provision.

GENERAL TERMS AND CONDITIONS

3.8 Creditworthiness for Interruptible Transportation.

- (a) An interruptible Shipper will be considered creditworthy, and Transporter will extend credit, if one of the following conditions is met:
  - (1) Shipper's long-term unsecured debt securities, at the time it enters into a Transportation Service Agreement and throughout the term thereof, are rated BB+ or better by Standard & Poor's or Bal by Moody's Investor Service; or
  - (2) Shipper provides audited financial statements for itself, or for its parent company if it is a subsidiary that is consolidated with its parent company for reporting purposes and does not issue stand-alone financial statements, for the two (2) preceding years that in Transporter's opinion demonstrate adequate financial strength; or
  - (3) Transporter determines, in its sole discretion reasonably exercised, that, based upon factors such as the quantity and character of service requested and utilized, Shipper's credit history with other providers of natural gas service, and any other factors that a reasonable party in Transporter's position might consider, Shipper represents a reasonable credit risk.
- (b) If Shipper does not establish or maintain creditworthiness as described above, or if Shipper's credit limit as determined by Transporter is insufficient to cover Shipper's contractual obligations, Shipper may receive interruptible transportation service under this FERC Gas Tariff by providing one or more of the following credit alternatives:
  - (1) A cash security deposit up to the maximum amount of services that may be provided in any three-month period under an interruptible agreement. Such cash security deposit will remain in place to allow continued service under Shipper's IT Agreement(s). Cash security deposits will accrue interest at the actual interest rate earned by Transporter. Interest will be paid by Transporter on an annual basis each September 1 or at the time Shipper's deposit is returned due to either a return to creditworthiness by Shipper or the expiration of Shipper's Agreement(s); or
  - (2) A prepayment for service. Such prepayment will remain in place until Shipper exhausts its prepaid balance by utilizing interruptible transportation service. At the point Shipper's prepayment is exhausted, Transporter may suspend further activity under an interruptible agreement collateralized by a prepayment. Shipper will not earn interest on prepayments.

GENERAL TERMS AND CONDITIONS

3. REQUESTS FOR SERVICE/CREDIT EVALUATIONS (Continued)

3.8 Creditworthiness for Interruptible Transportation (continued)

(b) (Continued)

- (3) A letter of credit. Shipper may post a letter of credit in a form acceptable to Transporter. For interruptible service, the amount of the letter of credit must be up to the maximum amount of the services that may be provided in any three-month period under an interruptible agreement. Such letter of credit must be issued by a commercial bank or financial institution located in the United States whose long-term unsecured debt securities are rated A or better by Standard & Poor's, A or better by Dominion Bond Rating Service, or A2 or better by Moody's Investors Service; or
- (4) A guarantee from a corporate affiliate or a third party in an amount up to the maximum amount of interruptible services that may be provided in any three-month period and in a form satisfactory to Transporter. For such Shippers, the credit limit will be based upon the financials of the guarantor. If during the term of service the guarantor does not meet the creditworthiness standards discussed above, then Transporter may request additional alternatives if Transporter agrees to release the original guarantor of all obligations at the time the Shipper provides the additional assurances; or
- (5) Any other security mutually agreed upon by Shipper and Transporter. Such other security shall be accepted on a non-discriminatory basis.

3.9 Creditworthiness for Parking and Lending Services.

The standards for interruptible transportation service apply to parking and lending service. For lending service, however, the security requirement under the cash and letter of credit options includes an amount to adequately account for the value of the gas being lent. The amount of security necessary to collateralize lent gas will be up to Shipper's maximum quantity times the average annual "Malin" price, as reported in Gas Daily's Price Survey, for the preceding 12-month period ended October 31. Transporter shall have no obligation to lend any quantity of gas beyond amounts for which Transporter holds security.

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GENERAL TERMS AND CONDITIONS

3. REQUESTS FOR SERVICE/CREDIT EVALUATIONS (Continued)

3.10 Creditworthiness for Firm and Interruptible Transportation Service

Subject to the requirements of Section 7 of the Natural Gas Act, Transporter shall not be required to perform or to continue to perform service on behalf of any Customer who fails to demonstrate minimal creditworthiness as required under this FERC Gas Tariff; provided, however, such Customer may receive service if said Customer provides alternative credit as described within Sections 3.5, 3.8, and 3.9 of these Transportation General Terms and Conditions.

GENERAL TERMS AND CONDITIONS

3. REQUESTS FOR SERVICE/CREDIT EVALUATIONS (Continued)

3.11 Return of Collateral.

- (a) Within five (5) business days of a Shipper notifying Transporter either in writing or by fax that it has returned to creditworthiness consistent with Transporter's tariff, and provided Shipper's credit limit pursuant to Section 3.4 is adequate to cover that portion of its total contractual obligations for the 2-year period ending 2 years from the date of the evaluation, Transporter will return, with any applicable interest, Shipper's security held by Transporter along with reconciliations of interest calculations.
- (b) Upon the expiration of Shipper's Agreement(s), Transporter will return, with any applicable interest, Shipper's security associated with undisputed invoice amounts within five (5) business days of Shipper paying its final invoice. Any remaining security will be returned with interest after resolving any and all disputed invoice amounts under the expired Agreement(s). Transporter will provide Shipper with final billing reconciliations detailing interest calculations.

3.12 Validation of Service Request. Transporter shall evaluate the information offered in support of a request for service to determine whether there is adequate capacity to fulfill the request for service (in the case of requests for service under the FT or LFS Rate Schedules) and that the request for service is compatible with the operating conditions on Transporter's system. After validation of the information submitted by Shipper in support of a request for service, Transporter shall enter Shipper's request in Transporter's log, as required by Section 284.13 of the Commission's Regulations.

3.13 Transportation Service Agreement to be Executed. Within 30 days after Transporter accepts and validates a completed request for service under Section 3.12 above, Transporter shall tender to Shipper a Transportation Service Agreement. In the event the Transportation Service Agreement is not executed by Shipper and returned within 30 days after Transporter tenders such contract to Shipper, Shipper's request for transportation shall be null and void.

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**Sheet No. 81** Sheet No. 81

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GENERAL TERMS AND CONDITIONS

4. NOMINATIONS, ALLOCATION OF CAPACITY AND POOLING

4.1 Nominations. Nominations may include Timely Nominations, Intra-Day Nominations, Overrun Nominations and/or Balancing Nominations.

- (a) [NAESB WGQ Standard 1.3.4] All parties should support a seven-days-a-week, twenty-four-hours-a-day nominations process. It is recognized that the success of seven days a week, twenty-four hours a day nominations process is dependent on the availability of affected parties' scheduling personnel on a similar basis. Party contacts need not be at their ordinary work sites but should be available by telephone or beeper.
- (b) [NAESB WGQ Standard 1.3.5] All nominations should include shipper defined begin dates and end dates. All nominations excluding intra-day nominations should have roll-over options. Specifically, shippers should have the ability to nominate for several days, months, or years, provided the nomination begin and end dates are within the term of shipper's contract.
- (c) [NAESB WGQ Standard 1.3.7] All nominations should be considered original nominations and should be replaced to be changed. When a nomination for a date range is received, each day within that range is considered an original nomination. When a subsequent nomination is received for one or more days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the days specified. The days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only.
- (d) [NAESB WGQ Standard 1.3.9] All nominations, including intra-day nominations, should be based on a daily quantity; thus, an intra-day nominator need not submit an hourly nomination. Intra-day nominations should include an effective date and time. The interconnected parties should agree on the hourly flows of the intra-day nomination, if not otherwise addressed in transporter's contract or tariff.
- (e) [NAESB WGQ Standard 1.3.3] At the end of each gas day, Transportation Service Providers should provide the final scheduled quantities for the just completed gas day. With respect to the implementation of this process via the 1.4x scheduled quantity related standards, Transportation Service Providers should send an end of gas day Scheduled Quantity document. Receivers of the end of gas day Scheduled Quantity document can waive the sender's sending of the end of gas day Scheduled Quantity document.

GENERAL TERMS AND CONDITIONS

4. NOMINATIONS, ALLOCATION OF CAPACITY AND POOLING (continued)

4.1 Nominations. (continued)

- (f) [NAESB WGQ Standard 1.3.20] Receiver of nomination initiates confirmation process. The party that would receive a Request For Confirmation or an unsolicited Confirmation Response may waive the obligation of the sender to send.
- (g) [NAESB WGQ Standard 1.3.21] The sending party should adhere to nomination, confirmation, and scheduling deadlines. It is the party receiving the request who has the right to waive the deadline.
- (h) [NAESB WGQ Standard 1.3.22]
  - (i) With respect to the timely nomination/confirmation process at a receipt or delivery point, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the confirmed quantity. If there is no responses to a Request For Confirmation or an unsolicited Confirmation Response, the lesser of the confirmation quantity or the previously scheduled quantity should be the new confirmed quantity.
  - (ii) With respect to the processing of requests for increases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the previously scheduled quantity should be the new confirmed quantity.
  - (iii) With respect to the processing of requests for decreases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity, but in any event no less than the elapsed-prorated-scheduled quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the greater of the confirmation quantity or the elapsed-prorated-scheduled quantity should be the new confirmed quantity.
  - (iv) With respect to 4.1 (h) i, ii, and iii, if there is no response to a request for confirmation or an unsolicited confirmation response, the Transportation Service Provider should provide the Service Requester with the following information to explain why the nomination failed, as applicable:
    - (1) the Service Requester's Transportation Service Provider did not conduct the confirmation;
    - (2) the Service Requester is told by its Transportation Service Provider that the upstream confirming party did not conduct the confirmation;
    - (3) the Service Requester is told by its Transportation Service Provider that the upstream Service Requester did not have the gas or submit the nomination;

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GENERAL TERMS AND CONDITIONS

4. NOMINATIONS, ALLOCATION OF CAPACITY AND POOLING (continued)

4.1 Nominations. (continued)

- (4) the Service Requester is told by its Transportation Service Provider that the downstream confirming party did not conduct the confirmation;
  - (5) the Service Requester is told by its Transportation Service Provider that the downstream Service Requester did not have the market or submit the nomination.
- (i) Nomination Cycles [NAESB WGQ Standard 1.3.2].
- (1) The Timely Nomination Cycle: 11:30 am (9:30 am PCT) for nominations leaving control of the nominating party; 11:45 am (9:45 am PCT) for receipt of nominations by the transporter (including from Title Transfer Tracking Service Providers (TTTSPs)); noon (10:00 am PCT) to send Quick Response; 3:30 pm (1:30 pm PCT) for receipt of completed confirmations by transporter from upstream and downstream connected parties; 4:30 pm (2:30 pm PCT) for receipt of scheduled quantities by shipper and point operator (central clock time on the day prior to flow).
  - (2) The Evening Nomination Cycle: 6:00 pm (4:00 pm PCT) for nominations leaving control of the nominating party; 6:15 pm (4:15 pm PCT) for receipt of nominations by the transporter (including from TTTSPs); 6:30 pm (4:30 pm PCT) to send Quick Response; 9:00 pm (7:00 pm PCT) for receipt of completed confirmations by transporter from upstream and downstream connected parties; 10:00 pm (8:00 pm PCT) for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the day prior to flow).

GENERAL TERMS AND CONDITIONS

4. NOMINATIONS, ALLOCATION OF CAPACITY AND POOLING (continued)

4.1 Nominations. (continued)

(i) Nomination Cycles (continued)

Scheduled quantities resulting from an Evening Nomination that does not cause another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped should be effective at 9:00 A.M. (7:00 A.M. PCT) on gas day; and when an Evening Nomination causes another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped, the schedule quantities should be effective at 9:00 A.M. (7:00 A.M. PCT) on gas day.

- (3) The Intraday 1 Nomination Cycle: 10:00 am (8:00 am PCT) for nominations leaving control of the nominating party; 10:15 am (8:15 am PCT) for receipt of nominations by the transporter (including from TTTSPs); 10:30 am (8:30 am) to send Quick Response; 1:00 pm (11:00 am PCT) for receipt of completed confirmations by transporter from upstream and downstream connected parties; 2:00 pm (12:00 pm PCT) for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bump parties (notice to bumped parties), (central clock time on the gas day). Scheduled quantities resulting from Intraday 1 Nominations should be effective at 5:00 pm (3:00 pm PCT) on gas day.
- (4) The Intraday 2 Nomination Cycle: 5:00 pm (3:00 pm PCT) for nominations leaving control of the nominating party; 5:15 pm (3:15 pm PCT) for receipt of nominations by the transporter (including from TTTSPs); 5:30 pm (3:30 pm PCT) to send Quick Response; 8:00 pm (6:00 pm PCT) for receipt of completed confirmations by transporter from upstream and downstream connected parties; 9:00 pm (7:00 pm PCT) for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators (central clock time on the gas day). Scheduled quantities resulting from Intraday 2 Nominations should be effective at 9:00 pm (7:00 pm PCT) on gas day. Bumping is not allowed during the Intraday 2 Nomination Cycle.

GENERAL TERMS AND CONDITIONS

4. NOMINATIONS, ALLOCATION OF CAPACITY AND POOLING (continued)

4.1 Nominations. (continued)

For purposes of 4.1(i) (2), (3) and (4), "provide" shall mean, for transmittals pursuant to standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

- (5) The Timely Nomination/Intraday Nomination Model established in NAESB Standard 1.3.2 (vi) is incorporated by reference.
- (6) [NAESB WGQ Standard 1.3.6] Nominations received after nomination deadline should be scheduled after the nominations received before the nomination deadline.

(j) Intraday Nominations.

- (1) All transportation service providers should allow for intraday nominations.
- (2) [NAESB WGQ Standard 1.3.11] Intraday nominations can be used to request increases or decreases in total flow, changes to receipt points, or changes to delivery points of scheduled gas.
- (3) [NAESB WGQ Standard 1.3.13] Intra-day nominations do not rollover (i.e. intra-day nominations span one day only). Intra-day nominations do not replace the remainder of a standing nomination. There is no need to re-nominate if intra-day nomination modifies existing nomination.
- (4) [NAESB WGQ Standard 1.3.33] Intra-day nominations may be used to nominate new supply or market.
- (5) Transporter will schedule Intraday Nominations on a reasonable efforts basis, subject to available pipeline capacity, supply availability, and upstream/downstream pipeline confirmations, provided that scheduled quantities for other Shippers will not be adversely affected.

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GENERAL TERMS AND CONDITIONS

4. NOMINATIONS, ALLOCATION OF CAPACITY AND POOLING (continued)

4.1 Nominations. (continued)

(6) [NAESB WGQ Standard 1.3.32] For services that provide for intraday nominations and scheduling there is no limitation as to the number of intraday nominations (line items as per NAESB WGQ Standard 1.2.1) which a Service Requester may submit at any one standard nomination cycle or in total across all standard nomination cycles.

(k) Bumping.

Transporter will give scheduling priority to firm nominations submitted during the Evening Nomination and Intraday 1 Nomination Cycles over previously nominated and scheduled volumes for interruptible services. The Elapsed-Prorated-Scheduled Quantity process will apply to those nominations bumped in the Intraday 1 Nomination Cycle.

Interruptible Shippers that are bumped will be provided a notice of bumping along with a notice stating whether penalties shall apply on the day their volumes are reduced. Bumping Notice Statements will be provided in the same manner as OFO Notices. In addition, Bumping Notice Statements will be sent through internet E-Mail or direct notification to a Shipper's URL address.

Transporter will waive non critical penalties for bumped shippers on the day of the bump.

(l) Balancing Nominations.

Shipper or Shipper's Agent will nominate to Transporter the quantity of natural gas in dekatherms to be used to balance Receiving Party Imbalances and/or Shipper Imbalances, and will schedule such balancing gas in accordance with Transporter's nomination procedures, subject to available capacity. To the extent capacity is unavailable to meet all imbalance makeup requests, Transporter will allocate available capacity pro rata based on balancing nominations in accordance with the priorities established in Section 4.2. To the extent that imbalance volumes that have been confirmed by Transporter cause actual delivered quantities to exceed receipt quantities, no penalty shall be assessed under Section 6.2(b) for such excess quantities. To the extent that imbalance volumes that have been confirmed by Transporter cause actual receipt quantities to exceed delivered quantities, no penalty shall be assessed under Section 6.2(c) for such excess quantities.

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GENERAL TERMS AND CONDITIONS

4. NOMINATIONS, ALLOCATION OF CAPACITY AND POOLING (continued)

4.1 Nominations. (continued)

(m) Authorized Overrun Nominations.

- (1) [NAESB WGQ Standard 1.3.19] Overrun quantities should be requested on a separate transaction.
- (2) Shipper will nominate to Transporter the quantity of natural gas subject to the Measurement Variance Gas Quantity ("MVGQ") in dekatherms to be scheduled and transported in excess of such Shipper's rights to throughput capacity or receipt or delivery point capacity. Such Authorized Overrun Nominations will be scheduled in accordance with Transporter's Nomination procedures, subject to available capacity. To the extent capacity is unavailable to meet all Authorized Overrun Nomination requests, authorized overrun service will be treated as interruptible, and interruption of authorized overrun service will be consistent with Section 4.2 of Transporter's Tariff.

GENERAL TERMS AND CONDITIONS

4. NOMINATIONS, ALLOCATION OF CAPACITY AND POOLING (continued)

4.2 Allocation of Capacity. On each day Transporter shall determine:

- (a) the total quantities which all Shippers have nominated to be received on that day;
- (b) the total quantities which all Shippers have nominated to be delivered on that day; and
- (c) Transporter's System Capacity.

If due to any cause whatsoever Transporter is unable on any day to satisfy all nominations for transportation service made pursuant to the procedures in Section 4.1 above, then Transporter shall allocate available transportation capacity according to the following procedure:

- (i) First, Transporter shall accept all nominations for service under Transportation Service Agreements under the FT and LFS Rate Schedules, including nominations of firm transportation quantities constituting corrective action pursuant to Section 6 of the General Terms and Conditions, up to the Maximum Transportation Quantity contained in such Transportation Service Agreements, beginning with nominations for service to a Shipper's primary delivery point, followed by nominations to a secondary delivery which is within the Shipper's firm transportation path, and finally nominations to a secondary delivery which is outside the Shipper's firm transportation path; and, to the extent capacity remains.
- (ii) Second, Transporter shall accept all nominations for service under the IT Rate Schedule and for Authorized Overrun Quantities in order of the unit rate at which service is to be performed, starting with the unit rate that represents the highest percentage of the maximum applicable rate. Transporter shall allocate the capacity available among Shippers paying the same rate on a first-come, first-served basis in accordance with the date service was requested. Among Shippers who initially requested service on the same day service shall be allocated pro rata on the basis of Shipper's nominations.
- (iii) Third, Transporter shall accept all nominations for service under the PL Rate Schedule in order of the unit rate at which service is to be performed, starting with the unit rate that represents the highest percentage of the maximum applicable rate. If two or more Shippers are paying the same rate for the same service under this rate schedule, service shall be scheduled pro-rata on the basis of Shipper's nominated quantities.

GENERAL TERMS AND CONDITIONS

4. NOMINATIONS, ALLOCATION OF CAPACITY AND POOLING (continued)

4.3 POOLING POINT(S).

- (a) [NAESB WGQ Standard 1.3.17] If requested by a shipper or supplier on a transportation service provider's system, the transportation service provider should offer at least one pool.
- (b) [NAESB WGQ Standard 1.2.3] The term "Pooling" shall mean 1) the aggregation of gas from multiple physical and/or logical points to a single physical or logical point, and/or 2) the dis-aggregation of gas from a single physical or logical point to multiple physical and/or logical points.
- (c) [NAESB WGQ Standard 1.3.18] Deliveries from receipt points should be able to be delivered directly into at least one pool and delivery points should be able to receive quantities from at least one pool, excluding non-contiguous facilities.
- (d) Priority rights of the Downstream Shipper will be utilized for scheduling and curtailing service at Pools. Transporter will maintain priorities of service during the curtailment process by requesting the Upstream Shipper to identify, in writing, which volumes are being delivered to which Downstream Shipper at said Pool. If such identification is not provided, all gas nominated by the Upstream Shipper into said Pool will be allocated pro rata.
- (e) No transportation delivery charge, fuel losses, or Measurement Variance Gas Factor (MVGf) will apply to quantities of gas nominated to a Pool from Receipt Point(s).
- (f) A Shipper transporting gas from a Pool to any Delivery Point(s) will incur fuel losses, Measurement Variance Gas Factor (MVGf), and mainline transportation delivery charges applicable to its Transportation Service Agreement.
- (g) The total confirmed quantity to be received into a Pool for a specific Shipper will be scheduled only if an equivalent quantity is confirmed to be delivered out of the Pool. No imbalances will be permitted at the Pools.

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**Sheet No. 91** Sheet No. 91

RESERVED FOR FUTURE USE

GENERAL TERMS AND CONDITIONS

5. CURTAILMENT

In the event that System Capacity becomes inadequate to provide previously scheduled service, and the provisions of Section 6.3 have been invoked without the necessary corrective action by Shipper, Transporter shall curtail service as follows:

- (a) First, Transporter shall curtail parking and landing service to Shippers receiving service under the PL Rate Schedule in the order of the unit rate at which the service is being performed, beginning with the unit rate that represents the lowest percentage of the maximum applicable rate. (Shippers paying a Negotiated Rate that exceeds the maximum applicable tariff rate shall be considered to be paying the maximum applicable tariff rate.) Among Shippers paying the same rate for service under this rate schedule, service will be curtailed pro-rata on the basis of scheduled quantities; and
- (b) Second, Transporter shall curtail Authorized Overrun Quantities and service to those Shippers receiving service under the IT Rate Schedule in the order of the unit rate at which the service is being performed, beginning with the unit rate that represents the lowest percentage of the maximum applicable rate. (Shippers paying a Negotiated Rate that exceeds the maximum applicable tariff rate shall be considered to be paying the maximum applicable tariff rate.) Transporter shall allocate capacity among Shippers paying the same rate on a first-come, first-served basis in accordance with the date on which service was requested. Among Shippers having the same first-come, first served priority, service will be curtailed pro rata on the basis of scheduled quantities; and
- (c) Third, Transporter shall curtail service to Shippers receiving service under the FT and LFS Rate Schedules pro rata on the basis of Maximum Transportation Quantities.

GENERAL TERMS AND CONDITIONS

6. BALANCING, ADHERENCE TO SCHEDULING, AND CONTRACT OVERRUNS

6.1 Shipper's Obligations.

- (a) Shipper shall endeavor to monitor and, if necessary, adjust deliveries and receipts of gas in order to maintain a daily balance of deliveries and receipts. Transporter shall not be obligated to receive gas in excess of the Scheduled Input Quantities, nor shall Transporter be obligated to deliver to Shipper at the Delivery Point(s) quantities in excess of Scheduled Equivalent Quantities. Shipper shall maintain receipts at levels at or below the Maximum Input Quantities (as adjusted for the Measurement Variance Gas Quantity) and its Maximum Equivalent Quantities. Transporter will monitor, to the extent practicable, deliveries and receipts for each transportation transaction and, based upon information available, advise Shipper of any imbalance situation which has occurred or may occur unless corrective action is taken. Upon notification, Shipper shall endeavor to adjust deliveries and receipts to avoid any imbalance. Any adjustment to deliveries and receipts by Shipper, whether or not pursuant to notification from Transporter, shall be coordinated with Transporter's Gas Administration Department and shall be in accordance with the nomination and scheduling procedures set forth in Section 4 above.
- (b) If Shipper fails to maintain a balance of deliveries and receipts, inaccurately schedules deliveries and receipts, or exceeds its Maximum Input Quantity or its Maximum Equivalent Quantity, then, in addition to all other charges owing, Transporter shall impose all of the applicable imbalance, scheduling and overrun charges set forth in this section, as applicable.

6.2 Balancing Penalties.

- (a) Actual delivered quantity exceeds Maximum Transportation Quantity

Authorized Overruns are interruptible in nature and will be subject to the Authorized Overrun charge, and such Authorized Overruns shall be subject to the allocation of capacity provisions of Section 4.2 of these Transportation General Terms and Conditions.

An imbalance shall exist when Transporter has not authorized deliveries in excess of a Shipper's Maximum Transportation Quantity. Under these circumstances, Transporter may, without notice, adjust Shipper requests for confirmation from receipt and delivery markets on Transporter's system.

GENERAL TERMS AND CONDITIONS

6. BALANCING, ADHERENCE TO SCHEDULING, AND CONTRACT OVERRUNS (Continued)

6.2 Balancing Penalties. (Continued)

- (a) Actual delivered quantity exceeds Maximum Transportation Quantity  
(continued)

Penalty: For unauthorized deliveries in excess of a Shipper's Maximum Transportation Quantity, a Shipper shall be assessed a penalty equal to two (2) times the maximum applicable interruptible transportation rate for the quantity that is greater than 10% of the Maximum Transportation Quantity or 400 Dth, whichever is greater.

- (b) Actual delivered quantity exceeds receipt quantity

A net negative imbalance shall exist if the difference between the quantity received and the quantity delivered, taking into account the reduction in quantity for the Measurement Variance Gas Quantity, yields a negative result. Commencing upon notification by Transporter of the existence of the negative imbalance, and to the extent that the Transporter system is not constrained or its integrity is not threatened, Shipper shall have three (3) days to correct the imbalance. If Shipper submits a balancing nomination pursuant to Section 4.1(1) within the 3-day period and Transporter is unable to accept the balancing nomination due to capacity restrictions or if confirmed imbalance nominations are curtailed due to capacity restrictions, then the time allowed to correct the imbalance without penalty shall be extended accordingly.

Remedies: Shippers may schedule with Transporter using the nomination process to eliminate or reduce negative imbalances. In addition, in accordance with Section 6.7 of these General Terms and Conditions, Shippers may net or trade imbalances to eliminate or reduce negative imbalances.

Penalty: If at the end of the aforementioned three (3) day period the difference between the actual delivered quantity and the receipt quantity is in excess of 10% of the delivered quantity or 400 Dth, whichever is greater, the Shipper shall be assessed a charge of \$5/Dth applied to the excess quantities. If the imbalance is not corrected within forty-five (45) days of Transporter's notice of an imbalance, the Shipper shall be assessed an additional charge of \$5/Dth, applied to the net imbalance remaining at the end of the forty-five (45) day balancing period.

GENERAL TERMS AND CONDITIONS

6. BALANCING, ADHERENCE TO SCHEDULING, AND CONTRACT OVERRUNS (Continued)

6.2 Balancing Penalties. (Continued)

(c) Actual quantity received exceeds delivered quantity

A net positive imbalance shall exist if the difference between the quantity received and the quantity delivered, taking into account the reduction in quantity for the Measurement Variance Gas Quantity, yields a positive result. Commencing upon notification by Transporter of the existence of the imbalance, and to the extent that the Transporter system is not constrained or its integrity threatened, Shipper shall have three (3) days to correct the imbalance. If Shipper submits a balancing nomination pursuant to Section 4.1(1) within the 3-day period and Transporter is unable to accept the balancing nomination due to capacity restrictions or if confirmed imbalance nominations are curtailed due to capacity restrictions, then the time allowed to correct the imbalance without penalty shall be extended accordingly.

Remedies: Shippers may schedule with Transporter using the nomination process to eliminate or reduce positive imbalances. In addition, in accordance with Section 6.7 of these General Terms and Conditions, Shippers may net or trade imbalances to eliminate or reduce positive imbalances.

Penalty: If at the end of the aforementioned three (3) day period the difference between the actual quantity received and the delivered quantity is in excess of 10% of the delivered quantity or 400 Dth, whichever is greater, the Shipper shall be assessed a penalty of \$2/Dth applied to the excess quantity. If the imbalance is not corrected within forty-five (45) days of Transporter's notice of an imbalance, Transporter shall be able to retain the remaining imbalance quantity without compensation to the Shipper and free and clear of any adverse claim. Quantities retained by Transporter will be sold and the proceeds from the sale of confiscated gas will be credited to all shippers in accordance with Section 29.2 of these General Terms and Conditions.

(d) Scheduled delivery quantity exceeds actual delivered quantity

An imbalance shall exist when the quantity scheduled (nominated and confirmed) for delivery exceeds the actual delivered quantity.

Penalty: When the difference between the scheduled delivery quantity and actual delivered quantity is in excess of 10% of the actual deliveries, or 400 Dth, whichever is greater, the Shipper shall be assessed the maximum applicable interruptible transportation rate applied to the excess quantities.

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GENERAL TERMS AND CONDITIONS

6. BALANCING, ADHERENCE TO SCHEDULING, AND CONTRACT OVERRUNS (Continued)

6.2 Balancing Penalties. (Continued)

- (e) Actual delivered quantity exceeds scheduled delivery quantity

An imbalance shall exist when the quantity delivered exceeds the quantity scheduled (nominated and confirmed).

Penalty: When the difference between the actual delivered quantity and the scheduled delivery quantity is in excess of 10% of the scheduled quantity or 400 Dth, whichever is greater, the Shipper shall be assessed the maximum applicable interruptible transportation rate applied to the excess quantities.

- 6.3 Imbalance determinations as described above will be performed on a daily basis and each daily occurrence will constitute a separate incident. If Shipper has multiple Transportation Service Agreements at a receipt or delivery point, Transporter shall make separate imbalance determinations for each Transportation Service Agreement. Imbalance and overrun penalties will be based on the lesser of the impact from operational or actual data. In the event that any penalty would otherwise be applicable under these provisions as a direct consequence of any action or failure to take action by Transporter or the failure of any facility under Transporter's control, or an event of force majeure as defined in these Transportation General Terms and Conditions, said penalty shall not apply.

- 6.4 Upon termination of a Service Agreement, Shipper shall have sixty (60) days to correct any remaining imbalances. After this period has elapsed, Transporter shall have the right to retain any positive imbalance quantity without compensation to the Shipper. For negative imbalance quantities, Transporter shall charge an amount equal to one hundred ten percent (110%) of the average of the daily midpoint prices reported for Malin, Oregon as published in the daily price survey by Platts Gas Daily for the month in which the imbalance is cashed out.

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GENERAL TERMS AND CONDITIONS

6. BALANCING, ADHERENCE TO SCHEDULING, AND CONTRACT OVERRUNS (Continued)

6.5 Operational Balancing Agreement.

- (a) [NAESB WGQ Standard 2.2.1] An OBA is a contract between two parties which specifies the procedures to manage operating variances at an interconnect.
- (b) [NAESB WGQ Standard 2.3.3] There is no need to submit predetermined allocations if a transportation service provider has an OBA in effect for a point.
- (c) In accordance with NAESB WGQ Standard 2.3.29, Transporter will enter into an Operational Balancing Agreement (OBA) with the Receiving Party. The Receiving Party is the down stream pipeline or local distribution company (LDC) that takes delivery of the gas at the Delivery Point for its own account and/or the account of its transportation customers. The Receiving Party will be responsible for any imbalances at the Delivery Points.
- (d) The penalties specified in Section 6.2 above shall not be applicable at those points covered by a balancing agreement.

6.6 Penalty Provisions Inapplicable.

- (a) [NAESB WGQ Standard 2.3.31] No imbalance penalty should be imposed when a prior period adjustment applied to the current period causes or increases a current month penalty.
- (b) When more than one penalty specified in Section 6.2 applies, Shipper pays only the least of the applicable penalties.
- (c) Unauthorized overrun penalties and scheduling penalties shall only apply to the extent that Shipper has access to timely meter information to meet nomination deadlines.

GENERAL TERMS AND CONDITIONS

6. BALANCING, ADHERENCE TO SCHEDULING, AND CONTRACT OVERRUNS (Continued)

- 6.7 Imbalance Trading. Tuscarora will allow Shippers to trade cumulative Daily System Imbalances that are offsetting such that the cumulative Daily System Imbalance for each Shipper would be reduced to a quantity closer to zero.
- (a) [NAESB WGQ Standard 2.3.40] Authorizations to Post Imbalances that are received by the Transportation Service Provider by 11:45 a.m. (9:45 a.m. PCT) should be effective by 8:00 a.m. (6:00 a.m. PCT) the next business day (central clock time). Imbalances previously authorized for posting should be posted on or before the ninth business day of the month.
  - (b) [NAESB WGQ Standard 2.3.41] Transportation Service Providers should provide the ability to post and trade imbalances until at least the close of the seventeenth business day of the month.
  - (c) [NAESB WGQ Standard 2.3.42] Transportation Service Providers should provide the ability to view and, upon request, download posted imbalances.
  - (d) [NAESB WGQ Standard 2.3.43] Imbalances to be posted for trading should be authorized by the Service Requester.
  - (e) [NAESB WGQ Standard 2.3.44] Transportation Service Providers should not be required to post zero imbalances.
  - (f) [NAESB WGQ Standard 2.3.45] When trading imbalances, a quantity should be specified.
  - (g) [NAESB WGQ Standard 2.3.46] Transportation Service Providers should enable the imbalance trading process by:
    - Receiving the Request for Imbalance Trade,
    - Receiving the Imbalance Trade Confirmation,
    - Sending the Imbalance Trade Notification, and
    - Reflecting the trade prior to or on the next monthly Shipper Imbalance or cashout.

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GENERAL TERMS AND CONDITIONS

6. BALANCING, ADHERENCE TO SCHEDULING, AND CONTRACT OVERRUNS (Continued)

6.7 Imbalance Trading. (continued)

- (h) [NAESB WGQ Standard 2.3.47] Imbalance trades can only be withdrawn by the initiating trader and only prior to the confirming trader's confirmation of the trade. Imbalance trades are considered final when confirmed by the confirming trader and effectuated by the Transportation Service Provider.
- (i) [NAESB WGQ Standard 2.3.48] To account for any imbalance remaining after imbalance trading and cashout, where the Transportation Service Provider (TSP) associates such imbalance with a contract, a Service Requester (SR) and the TSP should agree to designate one of the SR's valid contracts in the Operational Impact Area where the original imbalance occurred, for such purpose.
- (j) [NAESB WGQ Standard 2.3.49] After receipt of an Imbalance Trade Confirmation, the Transportation Service Provider should send the Imbalance Trade Notification to the initiating trader and the confirming trader no later than noon (central clock time) (10:00 a.m. PCT) the next business day.
- (k) [NAESB WGQ Standard 2.3.50] Netting, posting and trading of imbalances should be accomplished based on the Transportation Service Provider's (TSP) current method for accounting for imbalances and does not require TSPs to institute daily imbalance procedures, if they are not already present on the TSP's system.

GENERAL TERMS AND CONDITIONS

7. DELIVERY AND RECEIPT POINTS

7.1 Receipt Points. Transporter shall make available to each Shipper under the FT and LFS Rate Schedules one or more Primary Receipt Points, the exact number and location to be determined by mutual Agreement between Transporter and Shipper. The Primary Receipt Point(s) at which Transporter will accept gas from Shipper or for Shipper's account shall be those set forth in the Transportation Service Agreement between Transporter and Shipper. The Transportation Service Agreement shall also set forth the Maximum Input Quantity and minimum receipt pressures applicable to each such Primary Receipt Point. Subject to the availability of capacity, all other receipt points shall be available as Alternate Receipt Point(s) provided that the sum of all Input Quantities at all primary and alternate Receipt Points shall not exceed Shipper's Maximum Transportation Quantity adjusted for the Measurement Variance Gas Quantity. In the event that nominations by FT and LFS Rate Schedule Shippers for receipts at an Alternate Receipt Point exceed the capacity available at that Receipt Point, the available capacity shall be allocated pro rata on the basis of the portion of each Shipper's Maximum Transportation Quantity that has not been scheduled for receipt at other points. Subject to the availability of capacity, all Receipt Points shall then be available to Shippers under the IT Rate Schedule.

7.2 Additions and Deletions of Primary Receipt Points. The Transportation Service Agreement between Transporter and Shipper may be revised from time to time in order to reflect additions or deletions of Primary Receipt Points or changes in the Maximum Input Quantities or minimum receipt pressures applicable to such Primary Receipt Points. Additions or deletions of Primary Receipt Points and changes in the Maximum Input Quantities or receipt pressures applicable to Primary Receipt Points hereunder shall not be considered new transactions if Shipper's Maximum Transportation Quantity is not increased.

GENERAL TERMS AND CONDITIONS

7. DELIVERY AND RECEIPT POINTS (Continued)

- 7.3 Delivery Points. Transporter shall make available to each Shipper under the FT or LFS Rate Schedules one or more Primary Delivery Points, the exact number and location to be determined by mutual agreement between Transporter and Shipper. The Primary Delivery Point(s) at which Transporter will make gas available to or on behalf of Shipper shall be those set forth in the Transportation Service Agreement between Transporter and Shipper. The Transportation Service Agreement shall also set forth the Maximum Equivalent Quantity and maximum and minimum delivery pressures applicable to each such Primary Delivery Point. Subject to the availability of capacity, all other delivery points shall be available as Alternate Delivery Point(s) provided that the sum of all deliveries at all Primary and Secondary Points does not exceed Shipper's Maximum Transportation Quantity. In the event that nominations by FT and LFS Rate Schedule Shippers for deliveries at an Alternate Delivery Point exceed the capacity available at that Delivery Point, the available capacity subject to Section 4.2(c)(i) of these General Terms and Conditions shall be allocated pro rata on the basis of the portion of each Shipper's Maximum Transportation Quantity that has not been scheduled for delivery at other points. Subject to the availability of capacity, all Delivery Points shall then be available to Shippers under the IT Rate Schedule.
- 7.4 Additions and Deletions of Primary Delivery Points. The Transportation Service Agreement between Transporter and Shipper may by mutual consent be revised from time to time in order to reflect additions or deletions of Primary Delivery Points or changes in the Maximum Equivalent Quantities or minimum delivery pressures applicable to such Primary Delivery Points. Additions or deletions of Primary Delivery Points and changes in the Maximum Equivalent Quantities or delivery pressures applicable to Primary Delivery Points hereunder shall not be considered new transactions if Shipper's Maximum Transportation Quantity is not increased.
- 7.5 Primary Receipt and Delivery Points To Be Added Only Where Capacity Available. Transporter will agree to add a Primary Delivery Point or Primary Receipt Point for service under a Transportation Service Agreement under the FT or LFS Rate Schedules only to the extent sufficient firm capacity is available at that point.

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GENERAL TERMS AND CONDITIONS

8. UNIFORM PRESSURE AND QUANTITY

- 8.1 Delivery Pressure to Receipt Point. The delivery pressure of natural gas delivered to Transporter by or for the account of Shipper at a Receipt Point shall not be less than the minimum pressure set forth for the Receipt Point in the Transportation Service Agreement between Transporter and Shipper.
- 8.2 Delivery Pressure to Delivery Point. The delivery pressure of natural gas made available by Transporter to or on behalf of Shipper at a Delivery Point shall not be less than the minimum pressure set forth for each Delivery Point in the Transportation Service Agreement between Transporter and Shipper, nor shall Transporter be obligated to make deliveries at pressures greater than those set forth in the Transportation Service Agreement.
- 8.3 Uniform Quantities. Shipper shall deliver to Transporter and take from Transporter gas in uniform hourly quantities during any day; provided, however, that Transporter shall permit Shippers under the FT Rate Schedule to take hourly deliveries of gas at rates equal to 6 percent of the Maximum Transportation Quantity for up to three consecutive hours twice in any 24 hour period; provided, however, that the second three hour period shall not begin less than eight hours after the end of the first three hour period; provided that hourly deliveries by Shipper at the Receipt Point are at 1/24 of the scheduled quantity; provided that hourly deliveries to the Tracy Delivery Point shall not exceed 1/24 of the scheduled quantity applicable to that point; and provided that at the end of the Gas Day the average hourly rate of take for each contract for all non-Tracy Points shall equal 1/24 of the scheduled quantity. Any other departure from uniform hourly quantities shall be allowed on a best efforts basis only. Nothing hereunder shall authorize Shipper to take a quantity of gas in excess of its Maximum Transportation Quantity.

9. QUALITY

- 9.1 Gas delivered by Shipper to Transporter at the Receipt Point(s) and gas delivered to Shipper by Transporter at the Delivery Point(s), shall conform to the specifications set forth in this Section 9.
- 9.2
- (a) Heating Value. The gas shall be natural gas having a total heating value of not less than 975 Btus per cubic foot.

GENERAL TERMS AND CONDITIONS

9. QUALITY (Continued)

9.2 (Continued)

(b) Gas Quality. The gas shall be commercially free (at prevailing pressure and temperature at which the gas is delivered) from sand, dust, gums, crude oil, impurities and other objectionable substances.

(c) The gas shall not contain levels of the following contaminants higher than the levels specified below:

- (i) Sulfur/Hydrogen Sulfide. Not more than ten grains of total sulfur per 100 cubic feet nor more than one-quarter grain of hydrogen sulfide per 100 cubic feet;
- (ii) Oxygen. Not more than four-tenths of one percent by volume of oxygen, provided that Shipper shall make every reasonable effort to keep the gas free of oxygen;
- (iii) Carbon Dioxide. Not more than two percent by volume of carbon dioxide;
- (iv) Entrained Water. Not more than four pounds of entrained water per 1,000,000 cubic feet, at a pressure base of 800 pounds per square inch and a temperature of 15 degrees Fahrenheit as determined by a dew-point apparatus approved by the Bureau of Mines or such other apparatus as may be mutually agreed upon; and
- (v) Polychlorinated Biphenyl (PCB). No measurable quantity of PCB utilizing the best available measurement technology.

(d) Temperature. The natural gas shall have a temperature of not more than 110 degrees Fahrenheit.

9.3 Quality Tests.

(a) Upon reasonable notice from Transporter, Shipper shall conduct or cause to be conducted such tests as are required to determine whether gas tendered by Shipper to Transporter is in conformance with the specifications set forth in this Section 9. Upon reasonable notice from Shipper, Transporter shall conduct such tests as are required to determine whether gas redelivered by Transporter to Shipper at the Delivery Point(s) is in conformance with the specifications set forth in this Section 9.

GENERAL TERMS AND CONDITIONS

9. QUALITY (continued)

9.3 Quality Tests. (Continued)

(b) The gross heating value of gas delivered hereunder shall be determined from read-outs of continually operating measurement instruments. The method shall consist of one or more of the following:

- (1) calorimeter;
- (2) gas chromatograph;
- (3) any other method mutually agreed upon by the parties.

Measurement of gross heating value with the calorimeters shall comply with the standards set forth in the American Society for Testing and Materials' ASTM D 1826-83 or any subsequent revisions. Analysis of gas with gas chromatographs shall comply with the standards set forth in ASTM D 1945-81 or any subsequent revisions. Calculation of the gross heating value from compositional analysis by gas chromatography shall comply with the standards set forth in ASTM D 3588-81 or any subsequent revisions. Transporter or its agent shall calibrate and maintain the gross heating value measurement device at intervals as agreed upon by Transporter and Shipper. Shipper shall have access to Transporter's devices and shall be allowed to inspect the devices and all charts or other records of measurement at any reasonable time.

(c) Tests shall be made to determine the total sulfur, hydrogen sulfide, carbon dioxide and oxygen content of the gas, by approved standard methods in general use in the gas industry, and to determine the hydrocarbon dew-point and water vapor content of such gas by methods satisfactory to the parties. Tests shall be made frequently enough to ensure that the gas is conforming continuously to the quality requirements.

9.4 Failure to Conform to Specifications. If the gas offered for delivery to Transporter at the Receipt Point(s) or made available to or on behalf of Shipper at the Delivery Point(s) by Transporter shall fail at any time to conform to any of the specifications set forth in Sections 9.1, 9.2 or 9.3, then the party receiving such gas (the "receiving party") shall notify the other party (the "tendering party") of such deficiency and thereupon the receiving party may at its option refuse to accept such gas pending correction by the tendering party. Upon the tendering party's failure promptly to remedy any deficiency the receiving party may accept such gas and may make changes necessary to bring such gas into conformity with such specifications, and the tendering party shall reimburse the receiving party for any reasonable expense incurred by it in effecting such changes. In no event shall the failure of any gas offered for delivery to Transporter by Shipper or for Shipper's account to (continued)

GENERAL TERMS AND CONDITIONS

9. QUALITY (continued)

9.4 Failure to Conform to Specifications. (continued)

conform to any of the specifications set forth in Sections 9.1, 9.2 or 9.3 relieve Shipper of Shipper's obligation to pay Transportation Reservation Charges, if applicable. In no event shall the failure of any gas made available to or on behalf of Shipper at any Delivery Point(s) to conform to any of the specifications set forth in Sections 9.1, 9.2 or 9.3 relieve Shipper of Shipper's obligation to pay the Transportation Delivery Charges and, if applicable, Transportation Reservation Charges.

10. MEASUREMENT

The volume and the total heating value of the gas delivered to Transporter at the Receipt Point(s) and made available to or on behalf of Shipper at the Delivery Point(s) shall be determined as follows:

- 10.1 Unit of Measurement. The unit of gas, for the purpose of measurement, shall be one Mcf.
- 10.2 Heating Value Per Cubic Foot. The total heating value of the gas per cubic foot shall be determined for any month by taking the weighted average of the heating values as recorded each day by a calorimeter or as determined by chromatographic analysis of a sample of gas collected daily during the month, or any other method mutually agreed upon by Shipper and Transporter.
- 10.3 Determination of Dekatherms Delivered. The dekatherms delivered shall be determined by multiplying the Mcf delivered by the ratio of the Btu per cubic foot delivered to 1,000. For purposes of this determination, the specific gravity and heating value shall be determined at approximately the same time.
- 10.4 Determination of Temperature. The temperature of the gas passing through each meter shall be determined for any day by the continuous use of a recording thermometer so installed that it may properly record the temperature of the gas flowing through each meter. The arithmetical average of the temperature recorded each day shall be used in computing gas quantities.
- 10.5 Specific Gravity. The specific gravity of the gas shall be determined by the use of a recording gravitometer, which shall be checked at least once each month, or any other method mutually agreed upon by Shipper and Transporter.

GENERAL TERMS AND CONDITIONS

10. Measurement (continued)

- 10.6 Deviation From Boyle's Law. The deviation of the natural gas from Boyle's Law shall be determined by the use of the table of formulas published by the American Gas Association Par Research Project NX-19 corrected for carbon dioxide and nitrogen, or any superseding applicable tables published by the American Gas Association. Determinations of the molecular percentage of N<sub>2</sub> and CO<sub>2</sub> in the gas shall be made within 30 days after commencement of deliveries and at least quarterly thereafter. The molecular percentage of N<sub>2</sub> and CO<sub>2</sub> thus determined will be used to determine the supercompressibility factors during the ensuing period, with corrections for specific gravity, temperature and pressure.

11. MEASURING EQUIPMENT

- 11.1 Measuring Station. Transporter will install, maintain and operate at or near the Delivery Point(s), a measuring station properly equipped with meters, and other necessary measuring equipment by which the volume of natural gas made available to or on behalf of Shipper shall be measured and determined in accordance with Section 9 of these General Terms and Conditions.

Installation: Unless Transporter and Shippers agree otherwise, all gas volume measuring equipment, devices and materials at the point(s) of receipt and/or delivery shall be furnished and installed by Transporter at Shipper's expense including the tax-on-tax effect. All such equipment, devices and materials shall be owned, maintained and operated by Transporter.

- (a) Orifice Meters. Orifice meters, if used, shall be installed, and gas quantities computed, in accordance with American National Standard Bulletin ANSI/API 2530, Orifice Metering Of Natural Gas, dated June 1979, and any modification and amendments thereof, and shall include the use of flange connections and straightening vanes.
- (b) Diaphragm or Turbine Meters. Diaphragm or turbine meters, if used, shall be installed, and gas quantities computed, in accordance with generally accepted industry practices.
- (c) Electronic Flow Computers. Electronic or other types of flow computers, if used, shall be installed, and quantities calculated in accordance with generally accepted industry practices.

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GENERAL TERMS AND CONDITIONS

11. MEASURING EQUIPMENT (Continued)

11.1 Measuring Station. (Continued)

- (d) New Measurement Techniques. If at any time a new method or technique is developed with respect to gas measurement or the determination of the factors used in such gas measurement, such new method or technique may be substituted upon receipt of Commission authorization or in accordance with generally accepted industry practices.

GENERAL TERMS AND CONDITIONS

11. MEASUREMENT EQUIPMENT (continued)

11.2 Check Measuring Equipment. Shipper may install, maintain and operate, at its own expense, downstream of the Delivery Point, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Transporter's measuring equipment.

11.3 Right to be Present. Transporter and Shipper shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of deliveries of gas under any Transportation Service Agreement between Transporter and Shipper. Either party shall give the other reasonable advance notice of such activities with respect to meters. The records from such measuring equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefore, for inspection and verification, subject to return within 30 days after receipt thereof.

11.4 Care Required. All installations of measuring equipment applying to or affecting deliveries of gas shall be made in such a manner as to permit an accurate determination of the quantity of gas delivered and ready verification of the accuracy of measurement. Reasonable care shall be exercised by both parties in the installation, maintenance and operation of pressure regulating equipment so as to prevent any inaccuracy in the determination of the volume of gas delivered under any Transportation Service Agreement.

11.5 Calibration and Testing of Meters. The accuracy of Transporter's measuring equipment shall be verified by Transporter at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Transporter shall not be required to verify the accuracy of such equipment more frequently than once in any 30 day period. In the event either party shall notify the other that it desires a special test of any measuring equipment the parties shall cooperate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for, shall be borne by Shipper if the measuring equipment tested is found not to be in error by more than two percent.

If, upon testing, any measuring equipment, including recording calorimeters, is found to be in error by not more than two percent, previous recording of such equipment shall be considered accurate in computing deliveries of gas, but such equipment shall be adjusted at once to record accurately as defined by the appropriate metering standards.

GENERAL TERMS AND CONDITIONS

11. MEASURING EQUIPMENT (continued)

11.5 Calibration and Testing of Meters. (continued)

If, upon testing, any measuring equipment shall be found to be inaccurate by an amount exceeding two percent, at a recording corresponding to the average hourly rate of flow for the period since the last preceding test, then any previous recordings of such equipment shall be corrected to zero error for any period which is known definitely but in case the period is not known or agreed upon, such correction shall be for a period extending over one-half of the time elapsed since the date of last test, not to exceed a period of 180 days.

11.6 (a) [NAESB WGQ Standard 2.3.14] Measurement data corrections should be processed within six (6) months of the production month, with a three (3) month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights will not otherwise be diminished by this standard.

(b) [NAESB WGQ Standard 2.3.11] For treatment of measurement prior period adjustments, treat the adjustment by taking it back to the production month. A meter adjustment becomes a prior period adjustment after the fifth business day following the business month.

11.7 Correction of Metering Errors - Failure of Meters. In the event a meter is out of service, or registering inaccurately, the volume of gas delivered shall be determined:

- (a) by using the registration of any check meter or meters, if installed and accurately registering; or, in the absence of (a);
- (b) by correcting the error if the percentage of error is ascertainable by calibration, tests, or mathematical calculation; or in the absence of both (a) and (b), then;
- (c) by estimating the quantity of delivery by deliveries during periods under similar conditions when the meter was registering accurately.

11.8 Preservation of Metering Records. Transporter and Shipper shall each preserve for a period of two years all test data, charts and other similar records created after June 1, 1996.

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GENERAL TERMS AND CONDITIONS

12. FERC ANNUAL CHARGE ADJUSTMENT

The rates set forth in the FT, LFS and IT Rate Schedules shall be adjusted from time to time to reflect the annual charge assessed Transporter by the FERC pursuant to Order No. 472 or any other superseding rule or order. The current ACA Adjustment shall be the unit amount, adjusted as necessary for heating value and pressure base, which the FERC orders to be effective for the fiscal year commencing on the effective date of the adjustment.

13. BILLINGS AND PAYMENTS

13.1 Transportation Invoice.

- (a) Transporter shall render a transportation invoice in accordance with the measurement, computations and charges provided in this Tariff and the Transportation Service Agreement between Transporter and Shipper.
- (b) [NAESB WGQ Standard 3.3.14] The imbalance statement should be rendered prior to or with the invoice, and the transportation invoice should be prepared on or before the ninth business day after the end of the production month. Rendered is defined as postmarked, time-stamped, and delivered to the designated site.
- (c) [NAESB WGQ Standard 3.3.26] Where a Transportation Service Provider (TSP) performs daily allocations, the Beginning Transaction Date/Time and the Ending Transaction Date/Time in the Invoice should be the date/time that a transaction (line item) began (or ended respectively) where such transaction began (or ended respectively) within the subject invoice period. Where the TSP allocates daily and a transaction began prior to the subject invoicing period, the Beginning Transaction Date/Time in the Invoice should be the beginning date of the invoicing period. Where the TSP allocates daily and a transaction was continuing as of the end of the subject invoicing period, the Ending Transaction Date/Time in the Invoice should be the ending date of the invoicing period. Where a TSP performs only monthly allocations, the Beginning Transaction Date/Time and the Ending Transaction Date/Time are permitted to be the date/time that the subject invoicing period began (or ended respectively). In the instance where the TSP allocates monthly, invoices on allocated quantities, and defaults the Beginning Transaction Date/Time and Ending Transaction Date/Time to the beginning and ending of the subject invoicing period, the TSP should indicate on the invoice the document to which the Service Requester may refer for documentation supporting the invoice quantities. In the instance where the TSP allocates daily, rolls up to monthly for invoicing, and defaults the Beginning Transaction Date/Time and Ending Transaction Date/Time to the beginning and ending of the subject invoicing period, the TSP should indicate on the invoice the document to which the Service Requester may refer for documentation supporting the invoice quantities.

(continued)

GENERAL TERMS AND CONDITIONS

13. BILLINGS AND PAYMENTS (continued)

13.1 Transportation Invoice. (continued)

(c) (continued)

Note: Beginning and Ending Transaction Date/Time, as used in this standard, represent four date elements: Beginning Transaction Date, Beginning Transaction Time, Ending Transaction Date, and Ending Transaction Time.

- (d) [NAESB WGQ Standard 2.3.54] At a location, the total quantity measured or estimated for the period should be used to provide allocations to parties' scheduled transactions (or otherwise identified transactions consistent with NAESB WGQ Standard No. 2.3.61, General Terms and Conditions Section 13.1(k)).
- (e) [NAESB WGQ Standard 2.3.55] In the allocation process, estimated quantities should be adjusted to actuals following the time that the actual quantities are known.
- (f) [NAESB WGQ Standard 2.3.56] At a location which is not covered by an OBA, an Allocating Party should receive Pre-determined Allocations and calculate the allocations for the location and provide these allocations to the appropriate parties for their use.
- (g) [NAESB WGQ Standard 2.3.57] At a location which is not covered by an OBA, a party which is not the allocating party at the location should receive and process the allocations from the allocating party and employ such allocations when providing allocation information to its parties (as applicable and appropriate).
- (h) [NAESB WGQ Standard 2.3.58] At a location which is covered by an OBA, each party to the OBA should allocate its side of the location.
- (i) [NAESB WGQ Standard 2.3.59] At a location which is not covered by an OBA, Transportation Service Providers (TSPs) which allocate to Service Requesters (SRs) at the SR's Contract level or higher are not required to allocate to a lower level or accept accounting allocation instructions from the SR (ie., neither Pre-determined Allocations (PDAs) nor SR ranks supplied in the nomination).

GENERAL TERMS AND CONDITIONS

13. BILLINGS AND PAYMENTS (continued)

13.1 Transportation Invoice. (continued)

Where the TSP allocates to a lower level (more detailed) than the SR contract level and where:

- The Confirming Parties confirm at a higher level (less detailed) than the nomination level; and,
- A SR has submitted more than one nomination line item to the TSP;

the TSP should employ the TSP's tariff allocation methodology (including, where applicable, employing the other Confirming Party(ies)' PDAs) to allocate gas to the confirmation detail level.

The TSP should then either: i) accept and employ a PDA from such SRs or ii) employ the SR's ranks supplied in the nomination.

Where a TSP accepts PDAs from a SR (as specified in i) above and the SR does not provide a PDA, the TSP should employ the tariff allocation methodology.

- (j) [NAESB WGQ Standard 2.3.60] At a location which is not covered by an OBA, a Confirming Party should submit a Pre-determined Allocation (PDA) to the allocating party at a level that is based on the allocating party's business practice, but, in no event will such PDA be at a lower level (more detailed) than that level of information exchanged between such parties during their confirmation process.
- (k) [NAESB WGQ Standard 2.3.61] A Pre-determined Allocation (PDA) may not be used to allocate gas to a nominatable transaction that was not identified in the nomination or confirmation process, as applicable, absent prior mutual agreement among the Confirming Parties and the party being allocated to in such transaction. In the event of a conflict between this standard and the Transportation Service Provider's existing tariff or general terms and conditions, the latter will prevail.
- (l) [NAESB WGQ Standard 2.3.62] Except in cases where the Percentage or Operator Provided Value method of allocation is being employed, where there is:
  - (i) sufficient gas to fulfill all scheduled quantities at a location, a Pre-determined Allocation (PDA) should not result in a quantity being allocated to a party, contract or transaction, as applicable, that is less than the corresponding scheduled quantity(ies) for that party, contract or transaction, as applicable,

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GENERAL TERMS AND CONDITIONS

13. BILLINGS AND PAYMENTS (continued)

13.1 Transportation Invoice. (continued)

(ii) insufficient gas to fulfill all scheduled quantities at a location, a PDA should not result in a quantity being allocated to a party, contract or transaction, as applicable, that is greater than the corresponding scheduled quantity(ies) for that party, contract or transaction, as applicable.

In the event of conflicts between this standard and the Transporter's existing tariff or general terms and conditions, the latter will prevail.

- (m) [NAESB WGQ Standard 2.3.63] Parties should communicate to their counter parties that their transaction(s) for allocation purposes are lowest ranked or swing, when such counter parties' transaction(s) are identified by the party as being lowest ranked or swing. This standard does not apply to the relationship between Transportation Service Provider and their Service Requesters.
- (n) [NAESB WGQ Standard 2.3.64] Under normal operating conditions, at a location which is covered by an OBA, the scheduled quantity should be the allocated quantity.

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GENERAL TERMS AND CONDITIONS

13. BILLINGS AND PAYMENTS (continued)

13.2 Monthly Payment.

- (a) Shipper shall pay Transporter, at a bank designated by Transporter or as otherwise directed by Transporter, so that payment is received and Transporter has available funds there from on or before the 10th calendar day following receipt of Transporter's invoice, the full amount billed by Transporter to Shipper under Section 13.1 for the immediately preceding month.
- (b) [NAESB WGQ Standard 3.3.17] Party making payment should submit supporting documentation; party receiving payment should apply payment per supporting documentation provided by the paying party; and if payment differs from invoiced amount, remittance detail should be provided with the payment except when payment is made by electronic funds transfer (EFT), in which case, the remittance detail is due within two Business Days of the payment due date.
- (c) [NAESB WGQ Standard 3.3.25] Unless otherwise specified in an applicable tariff, general terms and conditions, or contract, the effective payment due date of an invoice when such due date does not fall upon a Business Day (as defined in NAESB Standard 3.2.1, General Terms and Conditions Section 2.24) should be the first Business Day following the due date.
- (d) [NAESB WGQ Standard 3.3.18] Identify all invoice number(s) on all payments.

13.3 Estimated Statement. In the event that Transporter fails to render a statement to Shipper on or before the ninth business day of a month and such failure is not due to the fault of Shipper, Shipper's payment date shall be extended one day for each day Transporter's statement is late; provided, however, that if for any reason Transporter is unable to render a statement on or before the ninth business day of a month, Transporter may at its option render an estimated statement to Shipper, which statement shall contain Transporter's best estimate of the total amount payable to Transporter by Shipper under the Transportation Service Agreement(s) between Transporter and Shipper for the preceding month. Shipper shall pay to Transporter the full amount of such estimated statement within 10 calendar days of its receipt; provided, however, that Transporter shall render to Shipper a final statement no later than the 15th day of the month in which such estimated statement is rendered, unless Transporter's failure to do so is due to the fault of Shipper, in which case Transporter shall render to Shipper a final statement at such time as Transporter is able to do so. Any difference between the estimated statement and the final statement shall be added to or deducted from, as appropriate, Transporter's next succeeding monthly statement to Shipper.

GENERAL TERMS AND CONDITIONS

13. BILLINGS AND PAYMENTS (continued)

13.4 Disputed Billing

- (a) [NAESB WGQ Standard 3.3.19] If invoice is in dispute, pay portion not in dispute and provide documentation identifying basis for dispute.
- (b) Within 30 days after a demand made by Transporter, Shipper shall furnish good and sufficient surety bond, guaranteeing payment to Transporter of the amount ultimately found due upon bills after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Transporter shall not be entitled to seek to suspend further delivery of gas nor terminate the Transportation Service Agreement as outlined above unless and until default be made in the conditions of such bond.

13.5 Prior Period Adjustments.

- (a) [NAESB WGQ Standard 3.3.15] Prior period adjustment time limits should be six (6) months from date of the initial transportation invoice and seven (7) months from date of initial sales invoice with a three (3) month rebuttal period, excluding government-required rate changes. This standard shall not apply in the case of deliberate omission or misrepresentation of mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard.
- (b) [NAESB WQG Standard 3.3.16] Prior period adjustments are reported by production date, but they do not have to be invoiced separately by production month nor is each production month a separate paper invoice page.

13.6 Remedies For Nonpayment.

- (a) Charge for Late Payment: Should Shipper fail to pay any or all of the amount of any bill as herein provided when such amount is due, Shipper shall pay a Charge for Late Payment which shall be included by Transporter on the next regular monthly bill rendered by Shipper.

Such Charge for Late Payment shall be determined by multiplying (a) the unpaid portion of the bill, by (b) the ratio of the number of days from the due date to the date of actual payment to 365, by (c) the applicable rate of interest calculated in accordance with Section 154.501 of the Commission's Regulations.

GENERAL TERMS AND CONDITIONS

13. BILLINGS AND PAYMENTS (continued)

13.6 Remedies For Nonpayment. (continued)

- (b) Suspension of Service: If such failure to pay continues for 30 days after payment is due, Transporter, in addition to any other remedy it may have under the Transportation Service Agreement may suspend further transportation of gas until such amount is paid; provided, however, that Transporter shall notify Shipper in writing 20 days prior to such suspension that continued failure to pay will result in suspension of service.
- (c) Termination of Contract: If such default continues for 30 days following the suspension of service Transporter may thereafter, in addition to any other remedy it may have under the Transportation Service Agreement, terminate said contract; provided, however, that Transporter shall notify Shipper in writing 20 days prior to such action that continued failure to pay will result in termination of said contract.
- (d) Adjustment of Underpayment and/or Overpayment:  
If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Transportation Service Agreement and Shipper shall have actually paid the bills containing such overcharge or undercharge, then within 30 days after the final determination thereof, Transporter shall refund the amount of any such overcharge, and Shipper shall pay the amount of any such undercharge; provided, however, that interest calculated in accordance with Section 13.6(a) shall apply to any undercharge not paid and to any overcharge not returned within 30 days from the date of Transporter's notification to Shipper of the amount of the undercharge or overcharge. In the event an error is discovered by shipper in the amount billed in any statement rendered by Transporter, such error shall be adjusted within 30 days of the final determination.
- (e) Right of Examination: Both Transporter and Shipper shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart, or computation made under or pursuant to the provisions of this Tariff or the Transportation Service Agreement between Transporter and Shipper.

GENERAL TERMS AND CONDITIONS

14. POSSESSION OF GAS

14.1 Control and Possession. As between the parties to the Transportation Service Agreement, Transporter shall be deemed to be in control and possession of the gas deliverable thereunder from the time it is delivered to Transporter at the Receipt Point(s) until it shall have been made available to or on behalf of Shipper at the Delivery Point(s). Prior to the time gas is delivered to Transporter at the Receipt Point(s) and after such gas is made available to or on behalf of Shipper at the Delivery Point(s), Shipper shall be deemed to be in control and possession thereof.

14.2 Responsibility. Shipper shall have no responsibility with respect to any gas deliverable under the Transportation Service Agreement after it is delivered to Transporter at the Receipt Point(s) until it is made available to or on behalf of Shipper at the Delivery Point(s), or on account of anything which may be done, happen or arise with respect to such gas after it is delivered to Transporter at the Receipt Point(s) and before it is made available to or on behalf of Shipper at the Delivery Point(s), and Transporter shall have no responsibility with respect to such gas before it is delivered to Transporter at the Receipt Point(s) or after it is made available to or on behalf of Shipper at the Delivery Point(s) or on account of anything which may be done, happen or arise with respect to such gas before it is delivered to Transporter at the Receipt Point(s) and after it is made available to or on behalf of Shipper at the Delivery Point(s).

14.3 Right to Commingle. From the time gas is delivered to Transporter at the Receipt Point(s), Transporter shall have the unqualified right to commingle such gas with other gas in Transporter's natural gas transmission system.

15. WARRANTY OF TITLE TO GAS

Shipper warrants that it will at the time of delivery of the gas to Transporter have good and merchantable title to all of the gas subject only to security interests, liens and encumbrances that would not prevent Shipper from tendering the gas for transportation hereunder or receiving redelivery of the gas from Transporter. Title to the gas received by Transporter for Shipper's account hereunder shall remain with Shipper during transportation of the gas by Transporter. Shipper agrees to indemnify and save Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising out of adverse claims of any and all persons to the gas other than claims arising solely through acts of Transporter. Shipper agrees to indemnify Transporter and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of claims of any or all persons to the said gas or to royalties, taxes, license fees or charges thereon resulting from breach of this warranty.

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**Sheet No. 118** Sheet No. 118

RESERVED FOR FUTURE USE

GENERAL TERMS AND CONDITIONS

16. OPERATING INFORMATION AND ESTIMATES

16.1 Shipper to Provide Information. Shipper shall endeavor to provide Transporter with all information and material in the possession of or reasonably accessible to Shipper and required by Transporter to calculate and verify Shipper's Input Quantity and the quantity of gas taken by Shipper at the Delivery Point(s) each day and to calculate and verify the gross heating value, the quality specifications, and the components of both Shipper's Input Quantity and the quantities of gas taken by Shipper at the Delivery Point(s) each day.

16.2 Good Faith Estimates. At Transporter's request, Shipper will furnish to Transporter good faith estimates of the daily, monthly and annual quantities of natural gas which Shipper desires Transporter to transport for Shipper for at least two years in advance. Such estimates will be used for planning purposes and will not substitute for the nomination procedures contained in this Tariff.

17. OTHER OPERATING CONDITIONS

17.1 Minimum Quantity Meterable. In no event shall Transporter be required to accept a request for transportation service for a quantity of gas which Transporter cannot meter with reasonable accuracy at the Receipt or Delivery Points for which Shipper is requesting service. If Shipper's request for transportation service involves a quantity which Transporter cannot meter with reasonable accuracy at the requested Receipt or Delivery Points, Transporter will promptly inform Shipper and advise Shipper of the minimum quantity that can be metered with reasonable accuracy at the proposed Receipt and Delivery Points.

17.2 Coordination With Other Parties. Shipper shall make all necessary arrangements with other parties at or upstream of the Receipt Point(s) where natural gas is delivered to Transporter by Shipper or for Shipper's account, which arrangements shall be compatible with Transporter's system operations and coordinated with Transporter's dispatchers. To the extent Shipper's upstream transporter refuses to deliver scheduled quantities on behalf of Shipper, or Shipper's downstream transporter refuses to receive scheduled quantities on behalf of Shipper, Transporter shall not be obligated to transport such quantities for Shipper's account.

17.3 Facilities to be in Place Prior to Request. Transporter shall not be required to render transportation service on behalf of Shipper in the event that all facilities necessary to render such service do not exist at the time such service is requested.

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GENERAL TERMS AND CONDITIONS

17. OTHER OPERATING CONDITIONS (continued)

17.4 Shipper to Comply With All Terms. Transporter shall not be required to render transportation service on behalf of any Shipper which on any day fails to comply with any or all of the terms of the Transportation Service Agreement(s) between Transporter and Shipper.

17.5 Complaint Resolution. Transporter will attempt to resolve any complaints by Shippers or potential Shippers without the necessity of a written complaint. To this end, Shippers are encouraged to attempt to resolve disputes informally with their designated service representatives.

A formal complaint concerning any transportation services offered by Transporter must specifically state that it is a complaint under the Marketing affiliate rules and should be directed in writing to:

Tuscarora Gas Transmission Company  
717 Texas Street, Suite 2400  
Houston, Texas 77002-2761  
Attention: Director, Commercial Services

Transporter will respond initially within 48 hours and in writing within 30 days to complaints by shippers and potential shippers.

18. DISCRETIONARY WAIVER

Transporter may waive any of its rights hereunder or any obligations of Shipper on a basis that is not unduly discriminatory.

19. LIABILITY AND REMEDIES

19.1 Relief From Liability.

(a) Neither Transporter nor Shipper shall be liable in damages to the other for any act, omission or circumstances occasioned by or in consequence of any event constituting force majeure and, except as otherwise provided in Section 19.2, the obligations of Transporter and Shipper shall be excused during the period thereof to the extent affected by such events of force majeure. The term "force majeure" shall mean acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage or accident to pipeline facilities, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any cause, whether of the kind herein enumerated, or otherwise, and whether caused or

GENERAL TERMS AND CONDITIONS

19. LIABILITY AND REMEDIES (continued)

19.1 Relief From Liability. (continued)

(a) (continued)

occasioned by or happening on account of the act or omission of one of the parties to the Transportation Service Agreement between Transporter and Shipper or some person or concern not a party thereto, which is not within the control of the party claiming excuse and which by the exercise of due diligence such party is unable to prevent or overcome. A failure to settle or prevent any strike or other controversy with employees or with anyone purporting or seeking to represent employees shall not be considered to be a matter within the control of the party claiming excuse. Under no circumstances will lack of finances be construed to constitute force majeure.

(b) Transporter shall not be liable in damages to Shipper for any interruption, curtailment, impairment or reduction in service due to routine scheduled maintenance, maintenance required by applicable regulations or good engineering practice, or construction pursuant to a certificate of public convenience and necessity duly issued by the Commission, provided that Transporter shall provide Shipper as much notice as practical in advance of such interruption, curtailment, impairment or reduction in service, and provided that Transporter shall exercise reasonable efforts to schedule such maintenance or construction so as to minimize the impact on all Shippers taken as a group.

19.2 Reservation Charge Credit (Force Majeure): As used in this Section 19.2, Firm Daily Volume shall mean the volume of gas which Transporter is obligated to deliver on a firm basis at Shipper's firm delivery point(s) on a Gas Day, based on confirmable nominations for firm service within Shipper's Maximum Transportation Quantity. If, due to an event of force majeure, Transporter is unable to deliver any portion of Shipper's Firm Daily Volume for a period greater than ten (10) consecutive days, then for each day beyond ten (10) days that Transporter so fails to provide service the applicable reservation charges including applicable reservation-based surcharges shall not apply to the quantity of gas not delivered by Transporter within the Shipper's Firm Daily Volume; provided, however, that these charges shall not be eliminated to the extent that the Shipper utilizes secondary point service.

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GENERAL TERMS AND CONDITIONS

19. LIABILITY AND REMEDIES (continued)

19.3 Reservation Charge Credit (Non-Force Majeure): As used in this Section 19.3, Firm Daily Volume shall mean the volume of gas which Transporter is obligated to deliver on a firm basis at Shipper's firm delivery point(s) on a Gas Day, based on confirmable nominations for firm service within Shipper's Maximum Transportation Quantity. Except as provided for in Section 19.2 of these General Terms and Conditions of Service, in the event Transporter fails to deliver on any Gas Day under any firm contract at least 98% of Shipper's Firm Daily Volume, then the applicable reservation charges including applicable reservation-based surcharges shall not apply to the quantity of gas not delivered by Transporter within the Shipper's Firm Daily Volume; provided, however, that these charges shall not be eliminated to the extent that the Shipper utilizes secondary point service.

GENERAL TERMS AND CONDITIONS

20. DEFAULT

If either Transporter or Shipper shall fail to perform any of the material covenants or obligations imposed upon it by the Transportation Service Agreement, subject to the applicable provisions of this Tariff, then in such event the other party may at its option terminate said contract by proceeding as follows. The party not in default shall cause a written notice to be served on the party in default stating specifically the cause for terminating the contract and declaring it to be the intention of the party giving the notice to terminate the same; thereupon the party in default shall have 30 days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the notice for terminating the contract, and if within said period of 30 days the party in default does so remove and remedy said cause or causes, then such notice shall be withdrawn and the contract shall continue in full force and effect. In case the party in default does not so remedy and remove the cause or causes within said period of 30 days, the contract shall terminate; provided, however, that no termination shall occur if the party in default has initiated action to cure such material default but, despite its best efforts, has been unable to complete cure within such thirty day period and is continuing its action to complete cure in good faith beyond the end of the 30 day period. The termination or cancellation of any Transportation Service Agreement shall be pursuant to the provisions of this paragraph, shall be without prejudice to the right of Transporter to collect any amounts then due to it for transportation services rendered prior to the time of cancellation, and shall be without prejudice to the right of Shipper to receive any transportation services which have not been rendered but for which Shipper has paid prior to the time of cancellation, and without waiver of any remedy to which the party not in default may be entitled for violations of the Transportation Service Agreement.

21. NONWAIVER OF FUTURE DEFAULT

No waiver by either Transporter or Shipper of any one or more defaults by the other in the performance of any provisions of a Transportation Service Agreement, the General Terms and Conditions of this Tariff, or the applicable Rate Schedule, shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

GENERAL TERMS AND CONDITIONS

22. NOTICES, COMMUNICATION, AND POSTINGS

22.1 General

Any communication, notice, request, demand, statement or bill provided for in this Tariff or in a Transportation Service Agreement, or any notice which either Transporter or Shipper may desire to give to the other, shall be in writing, except as provided for in Sections 22.2 and 22.3 of these General Terms and Conditions, and shall be considered as duly presented, rendered, or delivered express mail service, shall be considered as duly presented one day after mailing; or, if prepared registered or ordinary mail, shall be considered as duly presented five days after mailing. The material so sent shall be addressed to the pertinent party at the address set forth in the Transportation Service Agreement, or at such other address as either party may designate in writing.

22.2 Intraday Bump Notice, Operational Flow Orders, and Other Critical Notices

- (a) [NAESB WGQ Standard 5.3.34] Transportation Service Providers should provide affected parties with notification of intraday bumps, operational flow orders and other critical notices through the affected party's choice of Electronic Notice Delivery mechanism(s).
- (b) [NAESB WGQ Standard 5.3.35] Unless the affected party and the Transportation Service Provider (TSP) have agreed to exclusive notification via EDI/EDM, the affected party should provide the TSP with at least one Internet E-mail address to be used for Electronic Notice Delivery of intraday bumps, operation flow orders and other critical notices. The obligation of the TSP to provide notification is waived until the above requirement has been met.
- (c) [NAESB WGQ Standard 5.3.36] Transportation Service Providers should support the concurrent sending of electronic notification of intraday bumps, operational flow orders and other critical notices to two Internet E-mail addresses for each affected party.
- (d) [NAESB WGQ Standard 5.3.37] Affected parties should manage internal distribution of notices received by Electronic Notice Delivery.
- (e) [NAESB WGQ Standard 5.3.38] When sending Internet E-mail notifications for intraday bumps operational flow orders and other critical notices, the subject line of the E-mail should include the following information separated by commas in the following order: (1) "Critical", (2) Notice Type label (per NAESB standard 4.3.29), (3) the Notice Effective Date in YYYYMMDD format, (4) the name or abbreviation of the Transportation Service Provider (TSP) excluding commas) and (5) the TSP's D-U-N-S Number.

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GENERAL TERMS AND CONDITIONS

22. NOTICES, COMMUNICATION, AND POSTINGS (Continued)

22.2 Intraday Bump Notice, Operational Flow Orders, and Other Critical Notices (Continued)

- (f) [NAESB WGQ Standard 5.3.39] Transportation Service Providers may offer notification mechanisms in addition to those references in NAESB Standard 5.3.34, General Terms and Conditions Section 22.2(a) (e.g. EBB/EDM, FF/EDM). TSPs should include at least the same level of information for notification of an intraday bump, operation flow order or other critical notice regardless of the method of notification.
- (g) [NAESB WGQ Standard 5.3.40] Intraday bump notices should contain at least the affected Service Requester Contract, Receipt and/or Delivery Location, and Receipt and/or Delivery Point Quantity from the Scheduled Quantity (NAESB Standard 1.4.5).

GENERAL TERMS AND CONDITIONS

22. NOTICES, COMMUNICATION, AND POSTINGS (Continued)

22.3 Recall and Reput Notices

Transportation Service Provider shall support the following recall notification periods for all released capacity subject to recall rights:

(a) Recall notice procedure [NAESB WGQ Standard 5.3.44].

(1) Timely Recall Notification

- (i) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 8:00a.m. (6:00 a.m. PCT) on the day that Timely Nominations are due;
- (ii) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. (7:00 a.m. PCT) on the day that Timely Nominations are due (Central Clock Time);

(2) Early Evening Recall Notification

- (i) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 3:00 p.m. (1:00 p.m. PCT) on the day that Evening Nominations are due;
- (ii) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. (2:00 p.m. PCT) on the day that Evening Nominations are due (Central Clock Time);

(3) Evening Recall Notification

- (i) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 5:00 p.m. (3:00 p.m. PCT) on the day that Evening Nominations are due;
- (ii) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. (4:00 p.m. PCT) on the day that Evening Nominations are due (Central Clock Time);

(4) Intraday 1 Recall Notification

- (i) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 7:00 a.m. (5:00 a.m. PCT) on the day that Intraday 1 Nominations are due;
- (ii) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 8:00 a.m. (6:00 a.m. PCT) on the day that Intraday 1 Nominations are due (Central Clock Time); and

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GENERAL TERMS AND CONDITIONS

22. NOTICES, COMMUNICATION, AND POSTINGS (Continued)

22.3 Recall and Reput Notices (Continued)

(5) Intraday 2 Recall Notification

(i) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 2:30 p.m. (12:30 p.m. PCT) on the day that Intraday 2 Nominations are due;

(ii) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 3:30 p.m. (1:30 p.m.) on the day that Intraday 2 Nominations are due (Central Clock Time).

(b) [NAESB WGQ Standard 5.3.45] For recall notification provided to the Transportation Service Provider (TSP) prior to the recall notification deadline specified in Section 22.3(a) [NAESB WGQ Standard No. 5.3.44] and received between 7:00 a.m. (5:00 a.m. PCT) and 5:00 p.m. (3:00 p.m. PCT), the TSP should provide notification to all affected Replacement Shippers no later than one hour after receipt of such recall notification.

For recall notification provided to the TSP after 5:00 p.m. (3:00 p.m. PCT) and prior to 7:00 a.m. (5:00 a.m. PCT), the TSP should provide notification to all affected Replacement Shippers no later than 8:00 a.m. (6:00 a.m. PCT) after receipt of such recall notification (Central Clock Time).

(c) [NAESB WGQ Standard 5.3.46] When a Transportation Service Provider (TSP) sends Internet E-mail notification for recalling of capacity to each affected Replacement Shipper, the subject line of the E-mail should include the following information separated by commas in the following order: (1) "Recall", (2) the recall notification period, (3) the Effective Date in YYYYMMDD format, (4) the name or abbreviation of the TSP (excluding commas), (5) the TSP's D-U-N-S Number.

The body of such E-mail notification should contain at least the affected Replacement Shipper's Contract Number, the quantity of capacity being recalled, and the Offer Number or Award Number, if necessary to uniquely identify the capacity being recalled.

Where supported by the TSP, for recalls that are effective at non-standard times, the appropriate recall notification period should be included in the subject line and the effective time of the recall should be in the body of the E-mail.

Where TSPs offer capacity recall notification mechanisms in addition to Internet E-mail, the notification should include at least the same level of information.

GENERAL TERMS AND CONDITIONS

22. NOTICES, COMMUNICATION, AND POSTINGS (Continued)

22.3 Recall and Reput Notices (Continued)

- (d) [NAESB WGQ Standard 5.3.47] The Replacement Shipper should provide the Transportation Service Provider (TSP) with no more than two Internet E-mail addresses to be used for recall notification. The obligation of the TSP to provide notification is waived until at least one of the addresses has been provided.
- (e) [NAESB WGQ Standard 5.3.48] The Releasing Shipper should provide capacity recall notification to the Transportation Service Provider (TSP) through the TSP's Customer Activities Website. The recall notification should specify the recall notification period for the specified effective gas day, as well as any other information needed to uniquely identify the capacity being recalled.
- (f) [NAESB WGQ Standard 5.3.49] Recalled capacity notices should indicate whether penalties will apply for the gas day for which quantities are reduced due to a capacity recall.
- (g) [NAESB WGQ Standard 5.3.52] Affected Replacement Shippers should manage internal distribution of notifications of recall received from a Transportation Service Provider.
- (h) [NAESB WGQ Standard 5.3.53] When capacity is recalled, it may not be reput for the same gas day.
- (i) [NAESB WGQ Standard 5.3.54] The deadline for notifying the Transportation Service Provider of a reput is 8:00 a.m. (6:00 a.m. PCT) to allow for timely nominations to flow on the next gas day.
- (j) [NAESB WGQ Standard 5.3.55] For the recall notification provided to the Transportation Service Provider (TSP), the TSP's Tariff should specify whether the quantity should be expressed in terms of 1) total released capacity entitlements or 2) adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity. The capacity entitlements resulting from the use of either 1) or 2) should be the same.
- (k) [NAESB WGQ Standard 5.3.56] In the event of an intra-day capacity recall, the Transportation Service Provider (TSP) should determine the allocation of capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the Elapsed Prorata Capacity (EPC). Variations to the use of EPC may be necessary to reflect the nature of the TSP's tariff, services, and/or operational characteristics.

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GENERAL TERMS AND CONDITIONS

22. NOTICES, COMMUNICATION, AND POSTINGS (Continued)

22.3 Recall and Reput Notices (Continued)

- (l) [NAESB WGQ Standard 5.3.57] The Transportation Service Provider should not be obligated to deliver in excess of the total daily contract quantity of the release as a result of Section 22.3(j) [NAESB WGQ Standard No. 5.3.55].
- (m) [NAESB WGQ Standard 5.3.58] The amount of capacity allocated to the Replacement Shipper(s) should equal the original released capacity less the recalled capacity that is adjusted based upon the Elapsed Prorata Capacity (EPC) or other TSP tariff specific variations of the EPC in accordance with Section 22.3(k) [NAESB WGQ Standard No. 5.3.56].

GENERAL TERMS AND CONDITIONS

22. NOTICES, COMMUNICATION, AND POSTINGS (Continued)

22.4 Credit Notices.

- (a) [NAESB WGQ Standard 0.3.3] If the Transportation Service Provider (TSP) requests additional information to be used for credit evaluation after the initiation of service, the TSP, contemporaneous with the request, should provide its reasons(s) for requesting the additional information to the Service Requester (SR) and designate to whom the response should be sent. The TSP and the SR may mutually agree to waive the requirements of this standard.
- (b) [NAESB WGQ Standard 0.3.4] Upon receipt of either an initial or follow-up request from the Transportation Service Provider (TSP) for information to be used for creditworthiness evaluation, the Service Requester's (SR) authorized representative(s) should acknowledge receipt of the TSP's request. The TSP and the SR may mutually agree to waive the requirements of this standard.
- (c) [NAESB WGQ Standard 0.3.5] The Service Requester's (SR) authorized representative(s) should respond to the Transportation Service Provider's (TSP) request for credit information, as allowed by the TSP's tariff, on or before the due date specified in the request. The SR should provide all the credit information requested by the TSP or provide the reason(s) why any of the requested information was not provided.
- (d) [NAESB WGQ Standard 0.3.6] Upon receipt from the Service Requester's (SR) of all credit information provided pursuant to applicable NAESB WGQ standards, the Transportation Service Provider (TSP) should notify the SR's authorized representative(s) that it has received such information. The TSP and the SR may mutually agree to waive the requirements of the standard.

GENERAL TERMS AND CONDITIONS

22. NOTICES, COMMUNICATION, AND POSTINGS (Continued)

22.4 Credit Notices. (Continued)

- (e) [NAESB WGQ Standard 0.3.7] The Service Requester (SR) should designate up to two representatives who are authorized to receive notices regarding the SR's creditworthiness, including requests for additional information, pursuant to the applicable NAESB WGQ standards and should provide to the Transportation Service Provider (TSP) the internet e-mail addresses of such representatives prior to the initiation of service. Written requests and responses should be provided via Internet E-mail, unless otherwise agreed to by the parties. The obligation of the TSP to provide creditworthiness notifications is waived until the above requirement has been met. The SR should manage internal distributions of any creditworthiness notices that are received.

The TSP should designate, on its Internet website or in written notices to the SR, the Internet e-mail addresses of up to two representatives who are authorized to receive notices regarding the SRs' creditworthiness. The SR's obligation to provide confirmation of receipt is met by sending such confirmation to such representatives, and the TSP should manage internal distribution of any such confirmations.

- (f) [NAESB WGQ Standard 0.3.8] At any time after the Service Requester (SR) is determined to be non-creditworthy by the Transportation Service Provider (TSP), the SR may initiate a creditworthiness re-evaluation by the TSP. As part of the SR's re-evaluation request, the SR should either update or confirm in writing the prior information provided to the TSP related to the SR's creditworthiness. Such update should include any event(s) that the SR believes could lead to a material change in the SR's creditworthiness.

GENERAL TERMS AND CONDITIONS

22. NOTICES, COMMUNICATION, AND POSTINGS (Continued)

22.4 Credit Notices. (Continued)

- (g) [NAESB WGQ Standard 0.3.9] After a Transportation Service Provider (TSP) receipt of a Service Requester's (SR) request for re-evaluation, including all required information pursuant to NAESB WGQ Standard 0.3.8 ("Shipper's Request"), General Terms and Conditions Section 22.4(f), within five (5) Business Days, the TSP should provide a written response to the SR's request. Such written response should include either a determination of creditworthiness status, clearly stating the reason(s) for the TSP's decision, or an explanation supporting a future date by which a re-evaluation determination will be made. In no event should such re-evaluation determination exceed twenty (20) Business Days from the date of the receipt of the SR's Request unless specified in the TSP's tariff or if the parties mutually agree to some later date.
- (h) [NAESB WGQ Standard 0.3.10] In complying with the creditworthiness related notifications pursuant to the applicable NAESB WGQ standards, the Service Requester(s) and the Transportation Service Provider may mutually agree to other forms of communication in lieu of Internet E-mail notification.
- (i) [NAESB WGQ Standard 5.3.60] The Transportation Service Provider (TSP) should provide the original releasing shipper with Internet E-mail notification reasonably proximate in time with any of the following formal notices given by the TSP to the releasing shipper's replacement shipper(s), of the following:
  - (1) Notice to the replacement shipper regarding the replacement shipper's past due, deficiency, or default status pursuant to the TSP's tariff;
  - (2) Notice to the replacement shipper regarding the replacement shipper's suspension of service notice;
  - (3) Notice to the replacement shipper regarding the replacement shipper's contract termination notice due to default or credit-related issues; and
  - (4) Notice to the replacement shipper that the replacement shipper(s) is no longer creditworthy and has not provided credit alternative(s) pursuant to the TSP's tariff.

GENERAL TERMS AND CONDITIONS

22. NOTICES, COMMUNICATION, AND POSTINGS (Continued)

22.5 Natural Gas Quality Posting.

- (a) A Transporter should provide on its Informational Postings website a link to the natural gas quality tariff provisions (or where no tariff exists in the general terms and conditions) or a simple reference guide to such information.
- (b) The Transporter should provide on its Information Posting website daily average gas quality information for prior gas day(s), to the extent available, for location(s) that are representative of mainline gas flow. The information available for the identified location(s) should be provided in a downloadable format. Information should be reported in units as specified in the tariff or general terms and conditions. In any event, compliance with gas quality requirements is in accordance with the Transporter's tariff or general terms and conditions.

The following are examples of gas quality attributes that could be included in the posting for the applicable Gas Day(s) and location(s).

- Heating Value
  - Hydrocarbon Components, % of C1 - Cnn, as used in determining Heating Value
  - Specific Gravity
  - Water
  - Nitrogen
  - Carbon Dioxide
  - Hydrogen
  - Helium
  - Total Sulfur
  - Hydrogen Sulfide
  - Carbonly Sulfide
  - Mercaptans
  - Mercury and/or any other contaminants being measured
  - Other pertinent gas quality information that is specified in the Transporter's tariff or the general terms and conditions
- (c) Data provided pursuant to NAESB WGQ Standard No. 4.3.90, General Terms and Conditions Section 22.5(b), should be made available on the Transporter's Internet website for the most recent three-month period. Beyond the initial three-month period, the historical data should be made available offline in accordance with regulatory requirements.
  - (d) Data provided pursuant to NAESB WGQ Standard No. 4.3.90, General Terms and Conditions Section 22.5(b), should be provided in a tabular downloadable file to be described by the Transporter. The first row of the file should contain the column headers.

GENERAL TERMS AND CONDITIONS

23. COMPLIANCE WITH PART 358 STANDARDS OF CONDUCT

This section describes Transporter's compliance with the requirements of 18 C.F.R. Part 358.

- 23.1 Shared Operating Personnel and Facilities. Information on any operating personnel or facilities that Transporter shares with a marketing affiliate will be available on Transporter's Internet website, at <http://www.transcanada.com/tuscarora>. Such information will be updated within three (3) business days of any change.
- 23.2 Request for Transportation Service. The specific information and format required from a shipper for a valid request for transportation service is described in Section 3 of these General Terms and Conditions. In addition, for transactions in which an affiliated marketer is involved, the specific affiliation of the requester with Transporter, and the extent of Transporter's affiliation, if any, with the person to be provided transportation service should be stated.
- 23.3 Comparability of Service. Transporter shall provide service on a basis that is equal in quality for all gas supplies transported whether shipped by an affiliate of Transporter or by another Shipper.

GENERAL TERMS AND CONDITIONS

24. INDEMNIFICATION

Shipper agrees to indemnify and hold Transporter harmless against all Claims by third parties, including but not limited to other Shippers, caused by Shipper's violation of Shipper's Transportation Service Agreement, the applicable rate schedule, or the General Terms and Conditions of this Tariff.

25. SCHEDULES AND CONTRACT SUBJECT TO REGULATION

This Tariff, including these General Terms and Conditions and the respective obligations of the parties under the Transportation Service Agreement(s) are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction and are subject to change from time to time by addition, amendment or substitution as provided by such valid laws, orders, rules and regulations.

26. CAPACITY RELEASE

26.1 General. This Section 26 sets forth the sole means by which a Shipper under any firm, open-access Part 284 service agreement ("Releasing Shipper") may release its capacity rights under a service agreement ("Existing Transportation Service Agreement"). Subject to the following provisions, firm capacity rights shall be released to Transporter for resale by it on a firm basis.

26.2 Capacity Eligible for Release.

(a) Capacity Eligible for Release

A Shipper under the FT or LFS Rate Schedules may release all or a part of its capacity under an Existing Transportation Service Agreement on a permanent or temporary basis, subject to recall if so specified. Any Replacement Shipper which has previously contracted for a Parcel may also release its capacity to another party as a secondary release subject to the terms and conditions described herein.

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GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (continued)

26.2 Capacity Eligible for Release. (continued)

(a) Capacity Eligible for Release (continued)

Upon releasing a Parcel, consistent with the terms and conditions described herein, except as noted below with respect to permanent releases, all Releasing Shippers shall remain ultimately liable for all reservation charges billable for the originally contracted service. The Releasing Shipper, whether a primary or secondary capacity holder, must post the capacity it seeks to release on Transporter's Internet website prior to the close of the Posting Period defined herein.

A Releasing Shipper may release all or a portion of its capacity for the remaining term of its contract on either a temporary or permanent basis. In the event of a permanent capacity release by a Shipper paying the maximum recourse rate, the Right of First Refusal is conveyed to the Replacement Shipper for that portion permanently released. Transporter may not unreasonably refuse to relieve a Releasing Shipper of liability under its contract and extinguish Releasing Shipper's contractual obligations to Transporter with respect to that portion requested to be permanently released provided that: 1) the Replacement Shipper is creditworthy pursuant to Transporter's credit standards; and 2) the rate paid by the Replacement Shipper is no less than either the rate contracted between the Releasing Shipper and Transporter for the remaining term of the contract or the maximum tariff rate, whichever is less. Transporter may refuse to allow a permanent capacity release if it has a reasonable basis to conclude that it will not be financially indifferent to the release. If Shipper's request to permanently release capacity is denied by Transporter, Transporter shall notify Shipper via e-mail and shall include in the notification the reasons for such denial.

GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (continued)

26.2 Capacity Eligible for Release. (continued)

(b) Types of Release

A Releasing Shipper may release a Parcel for a term (Release Term) up to or equivalent to the remaining term under its service agreement with Transporter. No rate cap applies to releases of capacity for a period of one year or less only when the release is to take effect on or before one year from the date on which the pipeline is notified of the release. Types of releases include:

NON-PREARRANGED - BIDDING REQUIRED

- (1) Capacity releases that are not prearranged require bidding.

PREARRANGED RELEASES - BIDDING REQUIRED

- (1) Unless capacity is released pursuant to either an asset management agreement or a state-approved retail access program, releases with terms greater than thirty-one (31) days and up to and including one year require bidding. This type of release allows a right of first refusal for the prearranged bidder. Bidding is pursuant to the methodology selected by the Releasing Shipper.
- (2) Unless capacity is released pursuant to either an asset management agreement or a state-approved retail access program, releases with terms greater than one year at a rate that is less than the maximum applicable tariff rate require bidding up to the maximum applicable tariff rate. This type of release allows a right of first refusal for the prearranged bidder. Bidding is pursuant to the methodology selected by the Releasing Shipper.

PREARRANGED RELEASES - BIDDING NOT REQUIRED

- (1) Releases for any period of thirty-one (31) days or less do not require bidding. Unless capacity is released pursuant to either an asset management agreement or state-approved retail access program, a firm shipper may not roll over, extend, or in any way continue the release to the same replacement shipper using the 31 days or less bidding exemption until twenty-eight (28) days after the first release period has ended. The 28-day hiatus does not apply to any re-release to the same replacement shipper that is posted for bidding or that qualifies for any of the other exemptions from bidding set forth herein.

(Continued)

GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (continued)

26.2 Capacity Eligible for Release. (continued)

(b) Types of Release (Continued)

PREARRANGED RELEASES - BIDDING NOT REQUIRED (Continued)

- (2) A release for more than one year at the maximum applicable tariff rate does not require bidding.
- (3) A permanent release of a long-term contract at the maximum applicable tariff rate when the remaining term is less than one year does not require bidding.
- (4) Asset Management Agreements. A release of capacity to an Asset Manager is exempt from bidding if the release contains a condition that the Releasing Shipper may call upon the Replacement Shipper to deliver to or purchase from the Releasing Shipper a volume of gas up to 100 percent of the daily contract demand of the released transportation capacity. If the capacity release is for a period of one year or less, the Asset Manager's delivery or purchase obligation must apply on any day during a minimum period of the lesser of five months (or 155 days) or the term of the release. If the capacity release is for a period of more than one year, the Asset Manager's delivery or purchase obligation must apply on any day during a minimum period of five months (or 155 days) of each twelve-month period of the release, and on five-twelfths of the days of any additional period of the release not equal to twelve months.

Payments or other consideration exchanged between the Releasing and Replacement Shippers in a release to an Asset Manager are not subject to the maximum rate.

- (5) Retail Access Programs. A release to a marketer participating in a state-regulated retail access program is exempt from bidding when the released capacity will be utilized by the Replacement Shipper to provide the gas supply requirement of retail customers pursuant to a retail access program approved by the state agency with jurisdiction over the local distribution company that provides delivery service to such retail customers.

GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (Continued)

26.3 Preliminary Qualification.

Replacement Shippers are encouraged to pre-qualify in advance of any postings on Transporter's EBB as credit requirements will take differing amounts of time to process depending on the particular financial profile of Replacement Shippers. The pre-qualification process will authorize a pre-set maximum monthly financial exposure level for the Replacement Shipper. Such exposure levels may be adjusted by Transporter periodically re-evaluating a Replacement Shipper's creditworthiness.

Releasing Shippers may exercise their option to waive the credit requirements for any Replacement Shipper wishing to bid on a Parcel posted by that Releasing Shipper. Such waiver must be made on a nondiscriminatory basis. Transporter must be informed of such waiver via the EBB before it will authorize such Replacement Shipper's participation with respect to that particular Parcel. In this instance, no pre-set maximum monthly financial exposure level is applicable.

Should a Releasing Shipper waive the credit requirements for a Replacement Shipper, the Releasing Shipper shall be liable for all charges incurred by the Replacement Shipper in the event such Replacement Shipper defaults on payment to Transporter for such capacity release service.

GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (Continued)

26.3 Preliminary Qualification. (continued)

Any potential Replacement Shipper may submit a bid for parcels posted for release. Transporter will determine the highest valued bid, based on the bid evaluation method selected by the Releasing Shipper, and verify that the Shipper placing the bid meets Transporter's credit requirements before awarding the parcel. Upon notification by Transporter of an award of a Parcel, Transporter shall complete a new FT or LFS contract with the particulars of the awarded Parcel and Replacement Shipper shall execute this new contract electronically through the use of an authorization code procedure on the EBB.

Once a Replacement Shipper has acquired capacity, authority is granted to the Replacement Shipper to release that capacity, unless the Releasing Shipper has specified that the Parcel cannot be re-released.

The execution of the FT or LFS service agreement will constitute an obligation on the part of the Replacement Shipper to be bound by the terms and conditions of Transporter's capacity release program as set forth in these Transportation General Terms and Conditions.

GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (Continued)

26.4 Release Procedures.

- (a) Notice by Releasing Shipper. A Releasing Shipper wanting to release capacity shall notify Transporter electronically (hereinafter called "Releasing Shipper's Notice"). Releasing Shipper's Notice may include reasonable terms and conditions that are objectively stated, applicable to all potential bidders, and non-discriminatory, and shall include the following:
- (1) Releasing Shipper's legal name, Transportation Service Agreement Number, rate schedule, and the name, title, address, telephone number, and fax number of the individual responsible for authorizing the release of capacity.
  - (2) In accordance with NAESB Standard 5.3.26, Version 1.8, Releasing Shipper has the choice to specify dollars and cents or percents of maximum tariff rate in the denomination of bids and all transportation service providers should support this. Once the choice is made by the Releasing Shipper, the bids should comport with the choice. In accordance with NAESB Standard 5.3.27, Version 1.8, for purposes of bidding and awarding, maximum/minimum rates specified by the Releasing Shipper should include the tariff reservation rate and all demand surcharges, as a total number or as stated separately. If a volumetric rate is used, Releasing Shipper must indicate whether bids on a reservation charge basis will be accepted as well and if so must specify the method of evaluating the two types of bids. Releasing Shipper also should indicate whether bids will be accepted on a dollar basis or as a percentage of the Releasing Shipper's as-billed rate.
  - (3) Whether the release is firm or recallable, including the specifics of any recall right. These provisions must be objectively stated, nondiscriminatory, applicable to all bidders, operationally and administratively feasible as determined by Transporter and in accordance with Transporter's tariff.
  - (4) The maximum and minimum quantities of firm daily capacity in Dth/d that Releasing Shipper elects to release (this must not exceed Releasing Shipper's maximum contract demand available for capacity release).
  - (5) The Primary Receipt Points and the Maximum Input Quantity associated with each such point, and the Primary Delivery Points and the Maximum Equivalent Quantity associated with each such point.

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GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (Continued)

26.4 Release Procedures. (continued)

- (6) The term of the release identifying the date release is to begin and terminate. The minimum release term acceptable to Transporter shall be one day.
- (7) Whether Option 1, 2, or 3 shall be used to determine the highest valued bid (see Section 26.5 for a description of bid evaluation options 1, 2 and 3).
- (8) Whether the Releasing Shipper requests to waive the creditworthiness requirements and agrees in such event to remain liable for all charges, or, whether Releasing Shipper requests that the creditworthiness provisions of Section 3.5 shall apply.
- (9) Whether the Releasing Shipper is willing to release such capacity for a shorter period of time and, if so, the minimum acceptable period of the release.
- (10) Any other conditions of the release, including any agency Arrangements.
- (11) The minimum rate (percentage of: reservation charge or a volumetric equivalent of the maximum reservation charge applicable to the Parcel on a 100% load-factor basis) acceptable to Releasor for this Parcel. Releasing Shipper also should indicate whether bids will be accepted on a dollar basis or as a percentage of the Releasing Shipper's as-billed rate.
- (12) Reput method and rights should be specified at the time of the deal, reput method and rights are individually negotiated between the releasing shipper and replacement shipper.
- (13) The Business Day on which the Bid Period will expire, if other than that determined in Section 26.4(b).

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**Sheet No. 142** Sheet No. 142

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GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (Continued)

26.4 Release Procedures. (continued)

(b) Timing [NAESB WGQ Standard 5.3.2].

(1) Capacity release subject to bidding.

- (i) For biddable releases (less than 1 year):
  - offers should be tendered by 12:00 P.M. (10:00 A.M. PCT) on a Business Day;
  - open season ends no later than 1:00 P.M. (11:00 A.M. PCT) on a Business Day (evaluation period begins at 1:00 P.M. (11:00 A.M. PCT) during which contingency is eliminated, termination of best bid is made, and ties are broken);
  - evaluation period ends and award posting if no match required at 2:00 P.M. (12:00 P.M. PCT);
  - match or award is communicated by 2:00 P.M. (12:00 P.M. PCT);
  - match response by 2:30 P.M. (12:30 P.M. PCT);
  - where match required, award posting by 3:00 P.M. (1:00 P.M. PCT);
  - contract issued within one hour of award posting (with new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time).
- (ii) For biddable releases (1 year or more):
  - offers should be tendered by 12:00 P.M. (10:00 A.M. PCT) four Business Days before award;
  - open season ends no later than 1:00 P.M. (11:00 A.M. PCT) on the Business Day before timely nominations are due (open season is three Business Days);
  - evaluation period begins at 1:00 P.M. (11:00 A.M. PCT) during which contingency is eliminated, determination of best bid is made, and ties are broken;
  - evaluation period ends and award posting if no match required at 2:00 P.M. (12:00 P.M. PCT);
  - match or award is communicated by 2:00 P.M. (12:00 P.M. PCT);
  - match response by 2:30 P.M. (12:30 P.M. PCT);
  - where match required, award posting by 3:00 P.M. (1:00 P.M. PCT);
  - contract issued within one hour of award posting (with new contract number, when available); nomination possible beginning at the next available nomination cycle for the effective date of the contract (Central Clock Time).

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GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (Continued)

26.4 Release Procedures. (continued)

(b) Timing [NAESB WGQ Standard 5.3.2]. (continued)

(2) For non-biddable releases:

Timely Cycle

- posting of prearranged deal not subject to bid are due by 10:30 A.M. (8:30 A.M. PCT);
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract (Central Clock Time).

Evening Cycle

- posting of prearranged deal not subject to bid are due by 5:00 P.M. (3:00 P.M. PCT);
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract (Central Clock Time).

Intraday 1 Cycle

- posting of prearranged deal not subject to bid are due by 9:00 A.M. (7:00 A.M. PCT);
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract (Central Clock Time).

Intraday 2 Cycle

- posting of prearranged deal not subject to bid are due by 4:00 P.M. (2:00 P.M. PCT);
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract (Central Clock Time).

GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (Continued)

26.4 Release Procedures. (continued)

(c) Posting of a Parcel

The posting of a Parcel constitutes an offer to release the capacity provided a willing Replacement Shipper submits a valid bid consistent with Transporter's Transportation General Terms and Conditions. The posting must contain the information contained in Section 26.4(a). Any specific conditions posted by the Releasing Shipper must be operationally feasible, nondiscriminatory to other shippers, and in conformance with Transporter's tariffs. If the Parcel is being released as a secondary release, then any recall provisions included in the primary release which may affect the re-release of this capacity must be included in the terms and conditions of the secondary release. Each Parcel will be reviewed by Transporter prior to posting on the Internet website for bidding. The receipt of a valid release will be acknowledged by the issuance of a release confirmation to the Releasing Shipper's e-mail address by Transporter.

It is the Releasing Shipper's sole responsibility to provide release and Prearranged Shipper bid information in advance of the close of the Posting Period.

Releasing Shippers who elect to release capacity based on nondiscriminatory recall provisions and/or special terms and conditions are required to submit their request to release capacity by at least two business days before the close of the Posting Period as stated in Section 26.4(b). This is to ensure adequate time for Transporter to review and validate that any recall and/or special terms and conditions are not discriminatory.

All Prearranged Shipper bids are subject to the Prearranged Shipper(s) meeting the preliminary qualifications as defined in Section 26.3 for Replacement Shippers.

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GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (Continued)

26.4 Release Procedures. (continued)

(c) Posting of a Parcel (continued)

A Parcel may be revised or withdrawn by the Releasing Shipper at any time prior to the close of the Posting Period. A Parcel cannot be revised after the close of the Posting Period. In accordance with NAESB Standard 5.3.14, Version 1.8 offers should be binding until written or electronic notice of withdrawal is received by the capacity release service provider. Parcels may be withdrawn subsequent to the close of the Posting Period and up until the close of the Bid Period only in situations where the Releasing Shipper has an unanticipated need for the capacity and no minimum bid has been made. In such instances, Releasing Shipper shall notify Transporter electronically of its need to withdraw the Parcel due to an unanticipated need for the capacity. The withdrawal or revision of a Parcel will terminate all bids submitted for that Parcel to date. Replacement Shippers will need to resubmit their bids for the Parcel if the Parcel is resubmitted for release.

GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (Continued)

26.4 Release Procedures. (continued)

(d) Submitting a Bid

All bids must be submitted through the use of Transporter's EBB. Such bids shall be "open" for all participants to review. The particulars of all bids will be available for review but not the identity of bidders. Transporter will post the identity of the winning bidder(s) only.

A Replacement Shipper cannot request that its bid be "closed", nor can a Releasing Shipper specify that "closed" bids be submitted on its releases. A Replacement Shipper may submit only one bid per Parcel posted at any one point in time. Bids received after the close of the Bid Period shall be invalid. The Replacement Shipper may bid for no more than the quantity of the Parcel posted by the Releasing Shipper. Simultaneous bids for more than one Parcel are permitted.

(Continued)

GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (Continued)

26.4 Release Procedures. (continued)

(d) Submitting a Bid (continued)

A valid bid to contract for a Parcel must contain the following information:

- (1) Replacement Shipper's legal name, address, telephone and fax numbers and the name and title of the individual responsible for authorizing the bid.
- (2) The identification of the Parcel bid on.
- (3) Term of service requested. The term of service must not exceed the term included in the Parcel.
- (4) Percentage of the applicable maximum rate, as identified in the Parcel, that Replacement Shipper is willing to pay, or price in dollars and cents per Dth/d, that the Replacement Shipper is willing to pay. A Replacement Shipper may not bid below the minimum applicable charge or rate.
- (5) The quantity desired not to exceed the quantity contained in the Parcel, expressed on a Dth/d delivered basis and greater than the minimum quantity acceptable to Replacement Shipper.

(Continued)

GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (Continued)

26.4 Release Procedures. (continued)

(d) Submitting a Bid (continued)

- (6) An affirmative statement that Replacement Shipper agrees to be bound by the terms and conditions of Rate Schedules FT or LFS and Transporter's capacity release provisions in its tariff.
- (7) Whether the bid is a contingent bid and the contingencies which must be satisfied by the date specified by the Releasing Shipper in its posting of the Parcel.

(e) Rates. No rate cap applies to releases of capacity for a period of one year or less only when the release is to take effect on or before one year from the date on which the pipeline is notified of the release.

For releases of capacity with terms of greater than one year, the maximum rate for a volumetric release shall not exceed the volumetric reservation charge for the released capacity plus all applicable surcharges; and the maximum rate for all other releases with terms of greater than one year shall be the applicable maximum reservation rate plus all applicable surcharges set forth in this FERC Gas tariff, notwithstanding any discounts then in effect for the Releasing Shipper.

(f) Confirmation of Bids

It is the Replacement Shipper's sole responsibility to confirm the correctness of the submitted bid and to take any corrective action necessary by resubmitting a bid when notified of an invalid or incomplete bid by Transporter. This must be done before the close of the Bid Period.

GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (Continued)

26.4 Release Procedures. (continued)

(g) Withdrawn or Revision of Bids

A previously submitted bid may be withdrawn or revised and resubmitted at any time prior to the close of the Bid Period with no obligation on the Replacement Shipper's part. In accordance with NAESB Standard 5.3.15, Version 1.8, bids cannot be withdrawn after the bid period ends. Resubmitted bids must be equal to or greater in value than the initial bids. Lower valued bids will be invalid. In accordance with NAESB Standard 5.3.13, Version 1.8, bids should be binding until written or electronic notice of withdrawal is received by the capacity release service provider.

26.5 Allocation of Parcels

(a) Primary Allocation

In accordance with NAESB Standard 5.3.3, Version 1.8, winning bids for Parcels shall be awarded based on one of the following three (3) options to be selected by the Releasing Shipper when posting a Parcel:

Option 1 - Highest Rate Equivalent

Bids will be given priority based on the maximum rate bid as represented by (1) a Replacement Shipper's bid of the percentage of the maximum authorized reservation charge or a volumetric equivalent of the maximum reservation charge applicable to the Parcel on a 100% load factor basis, or (2) a Replacement Shipper's bid in terms of absolute dollars and cents per Dth. A bid queue will be maintained for each individual Parcel.

Option 2 - Present Value

Bids will be given priority based on the net present value of the bid according to the following formula:

$$\text{Present Value per} = P * R * \frac{(1 + i)^n - 1}{i (1 + i)^n}$$

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GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (Continued)

26.5 Allocation of Parcels (continued)

(a) Primary Allocation (Continued)

where:  $P$  = percent of the maximum authorized rate or charge that the Replacement Shipper is willing to pay.

$R$  = Rate or charge calculated as: The applicable maximum authorized reservation charge(s) per Dth (or a volumetric equivalent of the maximum reservation charge(s) applicable to the Parcel on a 100% load factor basis) in effect at the time of the bid for service from the same receipt point to the same delivery point under the Releasing Shipper's rate schedule.

For short-term capacity releases not subject to a rate cap,  $P * R$  shall equal a Replacement Shipper's bid in terms of absolute dollars and cents per Dth.

$i$  = FERC's annual interest rate divided by 12.

$n$  = number of periods for which the bidder wishes to contract, not to exceed the maximum periods to be released by the Releasing Shipper. For releases greater than or equal to one month, the period is the number of months. For releases less than one month the period is the number of days.

A bid queue will be maintained for each individual Parcel.

Option 3 - Net Revenue. Bids will be given priority based on the net revenue for the term of the bid.

If Releasing Shipper does not specify an option for determining best bid, Option 2 will be the default option used.

Under all options, Transporter will evaluate and rank all bids for Parcels.

GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (Continued)

26.5 Allocation of Parcels (continued)

(b) Right of First Refusal

In the event of a Prearranged Shipper's bid for a Parcel, pursuant to the methodology specified by the Releasing Shipper, if the bid submitted by a subsequent Replacement Shipper exceeds the value of the Prearranged Shipper's bid, the Prearranged Shipper will be allowed to match the higher valued bid. The Prearranged Shipper will be allowed a match period, as specified in Section 26.4(b), to match the higher valued bid, otherwise, the allocation will be awarded to subsequent Replacement Shipper(s) in accordance with the primary and secondary allocation mechanisms.

(c) Secondary Allocation

To the extent there is more than one Replacement Shipper submitting a winning bid, the Parcel shall be allocated based on one of the following tie-breaker methodologies to be selected by the Releasing Shipper: pro rata, lottery, or order of submission (first come/first served).

(d) Confirmation of Allocation

Upon each completion of an allocation, the successful Replacement Shipper(s) will be notified of the terms under which they have contracted for the awarded Parcel. The notification will be provided in the form of an e-mail to the Replacement Shipper(s). Such notification will be sent within one hour of completion of the allocation. The notice will include the Replacement Shipper's Rate Schedule FT or LFS service agreement number and the pertinent terms of the Replacement Shipper's bid as well as any additional terms specified by the Releasing Shipper. The Releasing Shipper will be notified of the terms under which its Parcel has been awarded. The notification will be provided in the form of an e-mail to the Releasing Shipper. The notification will include all of the pertinent terms of the Releasing Shipper's parcel.

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GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (Continued)

26.5 Allocation of Parcels (continued)

(e) Purging of Expired Bids

All unfulfilled bids, as well as any unfulfilled portions of bids which receive a partial award, will become ineffective as of the completion of bid reconciliation and the close of the Bid Period.

GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (Continued)

26.6 Capacity Recall and Reput

26.6(a) Capacity Recall

Releasing Shipper(s) may, to the extent permitted as a condition of capacity release, recall released capacity (scheduled or unscheduled) at the Timely Nomination cycle and the Evening Nomination cycle, and recall unscheduled released capacity at the Intra-Day 1 and Intra-Day 2 Nomination cycles by providing notice to the Transporter by the following times for each cycle: 8:00 A.M. CCT (6:00 A.M. PCT) for the Timely Nomination cycle; 5:00 P.M. CCT (3:00 P.M. PCT) for the Evening Nomination cycle; 8:00 A.M. (6:00 A.M. PCT) for the Intra-Day 1 Nomination cycle; and 3:00 P.M. (1:00 P.M. PCT) for the Intra-Day 2 Nomination cycle. In accordance with NAESB Standard 5.3.55, Version 1.8, recall quantities should be expressed in terms of adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity. Notification to replacement shippers shall be provided by Transporter within one hour of receipt of recall notification.

26.6(b) Capacity Reput

In accordance with NAESB Standard 5.3.7, Version 1.8, capacity that has been recalled by the Releasing Shipper may be reput to the Replacement Shipper in accordance with the reput provisions of the release (See Section 26.4(14)). Shipper seeking to reput capacity shall notify Transporter of the reput by 8:00 A.M. Central Clock Time (6:00 A.M. PCT). It is the Releasing Shipper's obligation to notify and secure any necessary agreement by the Replacement Shipper to accept the reput under the terms of the release prior to notifying Transporter.

26.6(c) In accordance with NAESB Standard 5.3.8, Version 1.8, reput method and rights should be specified at the time of the deal. Reput method and rights are individually negotiated between the Releasing Shipper and Replacement Shipper.

GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (Continued)

26.7 Crediting, Billing Adjustments and Refunds

(a) Eligibility

Transporter shall provide revenue credits to any Releasing Shipper which releases capacity to a Replacement Shipper pursuant to the provisions of Section 26. Transporter and Shipper may, in connection with a Negotiated Rate Agreement under a firm rate schedule, agree upon payment obligations and crediting mechanisms in the event of a capacity release that vary from, or are in addition to, those set forth in this Section 26.7; provided, however, that terms and conditions of service may not be negotiated.

(b) Monthly Crediting Procedure

Revenue credits for released capacity shall be credited monthly as an offset to a Releasing Shipper's reservation charge (or the volumetric equivalent of the reservation charge on a 100% load-factor basis applicable to the Releasing Shipper. This shall also be referred to in this Section 26.6 as the equivalent volumetric rate) payable to Transporter under the applicable rate schedule for the service that has been released. Transporter shall credit each month to the Releasing Shipper's account 100% of the revenues from the charges invoiced to the Replacement Shipper(s) for the reservation charge (or equivalent volumetric rate).

GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (Continued)

26.7 Crediting, Billing Adjustments and Refunds (Continued)

(c) Billing Adjustments

Transporter shall apply the revenues received from Replacement Shippers to the reservation charge (or equivalent volumetric rate).

Should Replacement shipper default on payment to Transporter of the reservation charge (or equivalent volumetric rate) Transporter shall bill Releasing Shipper for such unpaid charges and apply interest to such adjustments in accordance with the provisions of Section 13 of these General Terms and Conditions.

(d) Excess Revenue Credits

Releasing Shipper is entitled to excess revenue credits resulting when the reservation charge (or equivalent volumetric rate) revenues actually received by Transporter from the Replacement Shipper(s) exceed the reservation charge (or equivalent volumetric rate) revenues which would have been received by Transporter from the Releasing Shipper if capacity was not released.

(e) Refunds

Transporter shall track all changes in its rates approved by the Commission. In the event the Commission orders refunds of any such rates charged by Transporter and previously approved, Transporter shall make corresponding refunds to all affected Shippers including Shippers receiving capacity release service.

In such instances when rates to Replacement Shippers are reduced, Transporter shall make corresponding adjustments to the crediting of revenues to Releasing Shippers for the period such refunds are payable. For capacity release transactions that are not subject to a rate cap, as described in Section 26.2(b) of these General Terms and Conditions, the prevailing rate for the transaction shall be considered just and reasonable and the Replacement Shipper(s) shall not be entitled to receive the refunds referenced herein.

(Continued)

GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (Continued)

26.7 Crediting, Billing Adjustments and Refunds (Continued)

- (f) In the event Releasing Shipper's Transportation Service Agreement is terminated pursuant to these Transportation General Terms and Conditions, and thirty (30) days notice has been provided to Replacement Shipper(s), a Replacement Shipper that currently holds temporary release capacity has the right to elect to contract with Transporter at the Replacement Shipper's Maximum Transportation Quantity for the remaining term of its release contract and at the lesser of (1) the Releasing Shipper's original contract rate, or (2) the maximum recourse rate, provided that the Replacement Shipper meets Transporter's creditworthiness standards for Firm Transportation Service. The Replacement Shipper shall make its election by the end of the thirty (30) day notice period.

If a Replacement Shipper does not elect to contract with Transporter at its replacement Maximum Transportation Quantity for the remaining term of its release contract and at the rate level that the Releasing Shipper originally contracted for, Transporter shall have the right to terminate the Replacement Shipper's Transportation Service Agreement following the election period and offer such capacity through an open season posting that will subject the capacity to competitive bidding. In the event Transporter terminates service, Transporter may exercise all remedies available to it hereunder, at law or in equity.

Replacement Shippers with prospective claims to temporary release capacity will not have rights to such capacity. Prospective claims to permanent releases of capacity will be honored to the extent that a Replacement Shipper meets Transporter's creditworthiness standards for Firm Transportation Service.

(Continued)

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GENERAL TERMS AND CONDITIONS

26. CAPACITY RELEASE (Continued)

- 26.8 Compensation. Transporter may act as a facilitator between a Releasing Shipper and a Replacement Shipper(s) that wishes to contract for that Releasing Shipper's capacity. All such Parcels must be posted on the EBB initially. A posting of a Parcel facilitated by Transporter will include both the Parcel by the Releasing Shipper and the bid by the Prearranged Shipper. A marketing of capacity fee shall be negotiated between Transporter and Releasing Shipper in a non-discriminatory manner. Such a fee will apply when: a Releasing Shipper requests Transporter to market released capacity, Transporter actively markets such capacity beyond posting on the EBB, and such marketing results in capacity being released to a Replacement Shipper.

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GENERAL TERMS AND CONDITIONS

27. PREGRANTED ABANDONMENT & THE RIGHT OF FIRST REFUSAL

- 27.1 Purpose. This Section 27 sets forth the specific terms and conditions applicable to Transporter's pregranted abandonment authority, the termination of Transporter's obligations under certain Transportation Service Agreements, and Shipper's Right of First Refusal.
- 27.2 Applicability. The Right of First Refusal provided pursuant to Section 27.5 applies to Transportation Service Agreements executed between Transporter and any Shipper pursuant to the FT and LFS Rates Schedules, where the Transportation Service Agreement had a primary term of one year or more and has terminated pursuant to Article II of the Transportation Service Agreement. In all other cases Transporter has unconditional pregranted abandonment authority upon the termination, expiration or cancellation of the applicable Transportation Service Agreement.

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GENERAL TERMS AND CONDITIONS

27. PREGRANTED ABANDONMENT & THE RIGHT OF FIRST REFUSAL (Continued)

27.3 Definitions. For purposes of this Section 27, the following definitions will apply:

(a) Existing Shipper. The term "Existing Shipper" shall mean the Shipper for which Transporter provides service under any executed Transportation Service Agreement subject to this Section 27.

(b) Offering Shipper. The term "Offering Shipper" shall mean any Shipper that submits a bid pursuant to Section 27.5 for all or a portion of the capacity to be made available upon expiration or termination of the Transportation Service Agreement pursuant to this Section 27, provided that the Offering Shipper satisfies the provisions of Transporter's FERC Gas Tariff applicable to the credit evaluations set forth in Section 3 Of these General Terms and Conditions.

(c) Notice of Election. The term "Notice of Election" shall mean the notice that an Existing Shipper provides Transporter, as prescribed in Section 27.5(c), that the Existing Shipper intends to exercise its Right of First Refusal upon termination of its Transportation Service Agreement.

(d) Best Bid. The term "Best Bid" shall mean the bid that Transporter determines, on a nondiscriminatory, objective basis, is the best bid, as prescribed in Section 27.5(g), that Offering Shippers have offered for capacity available under the terminating Transportation Service Agreement.

(e) Competing Offer(s). The term "Competing Offer(s)" shall mean the bid(s) that Transporter accepts and presents to an Existing Shipper for the Existing Shipper to match under the Bid Matching Procedures prescribed in Section 27.5(h).

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GENERAL TERMS AND CONDITIONS

27. PREGRANTED ABANDONMENT & THE RIGHT OF FIRST REFUSAL (Continued)

27.4 Pregranted Abandonment of Transportation Service Agreement. Upon the expiration, cancellation or termination of a Transportation Service Agreement, Transporter has pregranted authority to abandon that service pursuant to Section 7(b) of the Natural Gas Act, and Transporter shall have no further obligation to render service under the Transportation Service Agreement unless the Existing Shipper exercises a Right of First Refusal as prescribed in Section 27.5 below.

27.5 Right of First Refusal.

(a) Existing Shipper's Right of First Refusal. Upon expiration of a firm (or Limited Firm) Transportation Service Agreement subject to this Section 27.5(a), and provided that the Existing Shipper meets the standards of Section 3.5 of these General Terms and Conditions, the Existing Shipper will have a "Right of First Refusal", subject to the procedures outlined below. The Right of First Refusal does not apply to interim service agreements for capacity that has been reserved for a future expansion project as set forth in Section 33 of these General Terms and Conditions. Similarly the Right of First Refusal does not apply to interim service agreements for capacity that has been reserved by Transporter and has been sold on a prearranged basis pursuant to Section 3.2(a) of these General Terms and Conditions.

The Existing Shipper may elect to retain all or a portion of the capacity subject to its Right of First Refusal. If the Existing Shipper elects to retain only a portion of the available capacity, Transporter has pregranted authority to abandon the remaining service pursuant to Section 7(b) of the Natural Gas Act, and Transporter shall have no further obligation to render that remaining service under the Transportation Service Agreement. Upon receipt of a Notice of Election from an Existing Shipper, Transporter will post information relevant to the notice, as provided in Section 27.5(d) below. To the extent the Existing Shipper either satisfies the Bid Matching Procedures of Section 27.5(h) or reaches mutual agreement with Transporter pursuant to Section 27.5(i), Transporter will continue service to the Existing Shipper upon execution of a Transportation Service Agreement containing the agreed-upon terms. If the Existing Shipper fails to satisfy the Bid Matching Procedures of Section 27.5(h), or if Transporter and the Existing Shipper fail to reach mutual Agreement under Section 27.5(i), Transporter has pregranted authority to abandon the Existing Shipper's service pursuant to Section 7(b) of the Natural Gas Act, and Transporter shall have no further obligation to render service under the Existing Shipper's Transportation Service Agreement as of the date of termination of the Transportation Service Agreement.

GENERAL TERMS AND CONDITIONS

27. PREGRANTED ABANDONMENT & THE RIGHT OF FIRST REFUSAL (Continued)

27.5 Right of First Refusal.

(a) Existing Shipper's Right of First Refusal. (continued)

Unless Tuscarora and Shipper expressly agree otherwise in Shipper's service agreement, a Shipper who has entered into an interim service agreement pursuant to Section 3.2(a) of these General Terms and Conditions may not elect to extend such interim service agreement pursuant to this Section 27.5.

A Shipper paying a discounted rate or a negotiated rate will not have the Right of First Refusal, unless otherwise agreed to in writing by Transporter. Transporter shall offer Right of First Refusal rights on a not unduly discriminatory basis.

(b) Avoidance of Right of First Refusal. Shipper can extend the term of its Service Agreement at any time and not be subject to the Right of First Refusal process outlined above if prior to the Notice of Election described in 27.5(c), Shipper and Transporter mutually agree to amend the terms of the existing Service Agreement which shall include an extension of the term beyond the termination date of the existing Service Agreement. Tuscarora will mutually agree to a contract extension term under this subsection on a not unduly discriminatory basis.

(c) Existing Shipper's Notice of Election to Exercise its Right of First Refusal. Any Existing Shipper that elects to exercise its Right of First Refusal upon termination of a Transportation Service Agreement shall provide Transporter with a Notice of Election in writing or via Transporter's Internet website not later than 12 months prior to the expiration of the term of the Transportation Service Agreement. However, in the event that an expansion project is proposed that would utilize capacity on Transporter's existing facilities, the sizing of which project could be affected by Shipper's plans regarding the continuation of service, Transporter will have the right to notify Shipper that Shipper's election to terminate or not to terminate must be provided up to, but no more than, thirty-six (36) months prior to termination of Shipper's service agreement. Transporter shall not require a response from Shipper in less than sixty (60) days from the date of Transporter's notice. Such response shall be Shipper's notification to Transporter of either 1) its intent to retain its option to exercise its ROFR pursuant to this Section 27.5 or 2) its binding commitment to terminate its Service Agreement.

GENERAL TERMS AND CONDITIONS

27. PREGRANTED ABANDONMENT & THE RIGHT OF FIRST REFUSAL (Continued)

27.5 Right of First Refusal. (Continued)

- (d) Posting of Existing Shipper's Notice of Election. Within two days of receiving a Notice of Election, Transporter will post on its Internet website the following information regarding the capacity subject to the Notice of Election:
  - (i) the Maximum Transportation Quantity available under the terminating Transportation Service Agreement, stated in Dekatherms;
  - (ii) the Primary Receipt and Primary Delivery Point(s) at which capacity is available and the Maximum Input Quantities and Maximum Equivalent Quantities available at those points(s);
  - (iii) the date the capacity will be available; and
  - (iv) any other terms that may be relevant.
- (e) Open Season. Transporter will hold an open season no later than three (3) months prior to the service agreement expiration for a period of not less than five (5) business days. During the open season, Offering Shipper(s) may submit a bid to Transporter in writing or via Transporter's Internet website.
- (f) Offering Shipper's Bid. To constitute a valid bid, the Offering Shipper must satisfy the provisions of Transporter's FERC Gas Tariff applicable to requests for firm gas transportation service and credit evaluations set forth in Section 3 of these General Terms and Conditions by the close of the bid period. All bids not withdrawn prior to the close of the bid period shall be binding.

GENERAL TERMS AND CONDITIONS

27. PREGRANTED ABANDONMENT & THE RIGHT OF FIRST REFUSAL (Continued)

27.5 Right of First Refusal. (Continued)

- (g) Transporter's Review of Offering Shippers' Bid. Transporter will review all Offering Shippers' bids on a nondiscriminatory, objective basis and determine the Best Bid and whether the Best Bid any other bids are acceptable to Transporter. Transporter will notify Existing Shipper of any acceptable bid(s) as soon as practicable; provided, however, Transporter will not be obligated to accept any offer for transportation service at less than Transporter's maximum applicable rate:
  - (i) Acceptable bids will be those having the highest economic value as determined in Section 3.2(c);
  - (ii) If two or more bids offer the same economic value as determined in Section 3.2(c), Transporter will prorate available capacity among the Offering Shippers; and
  - (iii) The present value of revenues to be received from a Shipper bidding a Negotiated Rate shall be calculated using the proposed reservation charge revenues and any proposed usage charge revenues guaranteed by a minimum volume commitment or otherwise. Where the Negotiated Rate is based on a Negotiated Rate Formula, the future value of which cannot be determined at the time of the bidding, Transporter shall estimate the future revenues to be received under the Negotiated Rate Formula using currently available data.

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GENERAL TERMS AND CONDITIONS

27. PREGRANTED ABANDONMENT & THE RIGHT OF FIRST REFUSAL (Continued)

27.5 Right of First Refusal. (Continued)

- (h) Bid Matching Procedure. If Transporter accepts any bid(s) for purposes of this Bid Matching Procedure, Transporter will inform the Existing Shipper of the terms of the Competing Offer(s). Within thirty (30) calendar days of receiving the terms of the Competing Offer(s), the Existing Shipper must notify Transporter whether the Existing Shipper agrees to match the Competing Offer(s) in order of economic value (highest to lowest), provided that the original capacity holder shall not have to match any bid rate higher than the maximum applicable rate. Failure to notify Transporter within the 30-day period shall constitute an irrevocable waiver of the Existing Shipper's Right of First Refusal with respect to the Competing Offer. To match the Competing Offer(s), the Existing Shipper must match the NPV of the Competing Offer based upon price and term. If the Existing Shipper agrees to match a Competing Offer, Transporter will provide transportation service to the Existing Shipper upon execution of a Transportation Service Agreement containing the terms specified in the Competing Offer. If the Existing Shipper elects not to match the Competing Offer, Transporter has pregranted authority to abandon that service and Transporter shall have no further obligation to render service under the Existing Shipper's Transportation Service Agreement pursuant to Section 7 (b) of the Natural Gas Act. Transporter will provide transportation service to the Shipper that offered the Competing Offer upon execution of a Transportation Service Agreement containing the terms agreed upon in the Competing Offer. Transporter will post the terms of the accepted offer on its Internet website.

GENERAL TERMS AND CONDITIONS

27. PREGRANTED ABANDONMENT & THE RIGHT OF FIRST REFUSAL (Continued)

27.5 Right of First Refusal. (Continued)

- (i) Negotiation Procedures Between Transporter and Existing Shipper.  
Transporter may accept more than one Competing Offer including the Best Bid. However, if no Shipper offers a competing bid or if there are only bids at less than the maximum rate and Transporter rejects all such bids, Transporter and the Existing Shipper shall have twenty (20) business days from the end of the bid period to negotiate and mutually agree to terms and conditions applicable to a new Transportation Service Agreement. If Transporter and the Existing Shipper have not reached agreement on the terms and conditions for a new Transportation Service Agreement within the 20-day period, Transporter must continue to provide service to the Existing Shipper only if during the 20-day period the Shipper agrees to pay the maximum rate permitted under Transporter's FERC Gas Tariff for a term that the Existing Shipper elects. However, in order to retain the Right of First Refusal, the original capacity holder must extend its contract at the maximum authorized rate for a term of at least one year. If the Existing Shipper refuses to pay the maximum authorized rate, Transporter has pregranted authority to abandon service and Transporter shall have no further obligation to render service under the Existing Shipper's Transportation Service Agreement pursuant to Section 7(b) of the Natural Gas Act.
- (j) Right of first refusal rights held by Shipper continue to apply following an election of termination pursuant to existing evergreen language contained in Shipper's Firm Transportation Service Agreement. A Shipper that holds evergreen rights in addition to a right of first refusal under a Firm Transportation Service Agreement must first elect termination under the evergreen provision in order to initiate the right of first refusal process. When either Transporter or Shipper elects termination under an evergreen provision, Transporter shall not be obligated to continue Shipper's evergreen rights on a contract extended through the right of first refusal process. Shippers may exercise their right of first refusal rights consistent with this Section 27.5.
- (k) When a right of first refusal process has been completed and there has been no award of capacity and no agreement between Transporter and the existing Shipper under Section 27.5(i), the capacity will be offered pursuant to General Terms and Conditions Section 3.2(b), which governs Tuscarora's sales of generally available capacity where there is no shipper with right of first refusal rights.

GENERAL TERMS AND CONDITIONS

27. PREGRANTED ABANDONMENT & THE RIGHT OF FIRST REFUSAL (Continued)

27.5 Right of First Refusal. (Continued)

- (1) Expansion Project Open Seasons. When an expansion open season bidding process results in a fully-subscribed construction project, the sizing of which would be affected by an original capacity holder's plans regarding continuation of service, Transporter may issue a separate notice prior to construction that requires affected original capacity holders to elect either to terminate or not to terminate their respective service agreements as set forth below. Transporter shall issue such a separate service continuation notice only to original capacity holders whose service agreements will expire within the thirty-six (36) months following issuance of the separate notice.

At the time Transporter commences a capacity rationalization process in association with a fully-subscribed expansion project, Transporter may issue a service continuation notice under which an affected original capacity holder will have until the end of the rationalization period, which shall be no less than 30 days after the issuance of the service continuation notice, to elect to (1) discontinue service at the expiration of its service agreement or (2) extend the full MTQ of its service agreement by matching the applicable term and rate, up to the maximum historical rate that applies to the original capacity holder, of the accepted expansion bid(s) as follows:

When the pool of original capacity subject to matching is less than the capacity of the fully-subscribed construction project, an original capacity holder may be required, in order to retain its capacity, to extend its contract term by matching (1) the minimum acceptable term identified in the expansion open-season posting, (2) the minimum expansion term accepted by Transporter, or (3) fifteen (15) years, whichever is least. The rate that an original capacity holder must match to retain its capacity shall be the original capacity holder's maximum applicable historical rate.

When the pool of original capacity subject to matching is greater than the capacity of the fully-subscribed construction project, an original capacity holder may be required, in order to retain its capacity, to extend its contract by matching, on a proportional basis relative to all capacity subject to matching, the NPV of the expansion project. For purposes of calculating the expansion project NPV, it will be assumed that all expansion shippers are paying the maximum historical rate that applies to an original capacity holder. The match requirement shall be capped at the original capacity holder's applicable MTQ x the applicable maximum historical rate x fifteen (15) years. The total NPV that an affected original capacity holder may be required to match shall be calculated as follows:

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GENERAL TERMS AND CONDITIONS

27. PREGRANTED ABANDONMENT & THE RIGHT OF FIRST REFUSAL (Continued)

27.5 Right of First Refusal. (Continued)

$$\text{Present Value per} = V \times R \times \frac{(1+i)^n - 1}{i(1+i)^n}$$

Where: V = MTQ of the Expansion project.

R = Maximum historical rate that applies to an original capacity holder.

i = FERC's annual interest rate divided by 12.

n = Average term (MTQ-weighted) of the expansion project, in months.

Original capacity holder service agreements will be extended from the respective service agreement termination dates.

If the expansion project is cancelled, the ordinary ROFR process shall be reinstated and contract extensions that were created as a result of the proposed expansion shall be rescinded.

28. Title Transfer Tracking

28.1 Definitions.

- (a) [NAESB WGQ Standard 1.2.14] Title Transfer is the change of title to gas between parties at a location.
- (b) [NAESB WGQ Standard 1.2.15] Title Transfer Tracking is the process of accounting for the progression of title changes from party to party that does not effect a physical transfer of gas.
- (c) [NAESB WGQ Standard 1.2.16] A Title Transfer Tracking Service Provider is a party conducting the title transfer tracking activity.
- (d) [NAESB WGQ Standard 1.2.17] A Third Party Account Administrator is a Title Transfer Tracking Service Provider other than the Transportation Service Provider

GENERAL TERMS AND CONDITIONS

28. Title Transfer Tracking (Continued)

28.1 Definitions. (Continued)

- (e) [NAESB WGQ Standard 1.2.18] An Account Holder is the party using the services of a Title Transfer Tracking Service Provider (TTTSP) under a contract or other arrangement with that TTTSP.
- (f) [NAESB WGQ Standard 1.2.19] A title transfer Nomination is a nomination line item requesting the service of Title Transfer Tracking and is sent by an Account Holder to a Title Transfer Tracking Service Provider.

28.2 [NAESB WGQ Standard 1.3.64] At a minimum, the Transportation Service Providers (TSP) should be responsible for accommodating Title Transfer Tracking (TTT) services at all points identified by the TSP as pooling points, where TTT services are requested. In absence of existing pooling points or in addition to existing pooling points where access to TTT activity is not reasonably accessible for supply receipt locations covered by an OBA, TSPs should be responsible for accommodating TTT at no less than one location.

28.3 [NAESB WGQ Standard 1.3.65] The Title Transfer Tracking services should be supported by means of the nominations, quick responses and scheduled quantities processes. At the Transportation Service Provider's election, the confirmation process may also be utilized with Title Transfer Tracking Service Providers within the TSP's system.

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GENERAL TERMS AND CONDITIONS

28. Title Transfer Tracking (Continued)

28.4 [NAESB WGQ Standard 1.3.66] All Third Party Account Administrators (3PADS) wishing to provide title transfer tracking services shall so notify the Transportation Service Provider (TSP). All coordination between 3PADS and a TSP should be performed under a contract between the parties. Where the TSP is a Title Transfer Tracking Service Provider on its system, tariff provisions (terms, conditions and rates) or general terms and conditions of the TSP, may take the place of a contract.

28.5 [NAESB WGQ Standard 1.3.67] Upon reasonable request of the Third Party Account Administrator (3PAD), Transportation Service Providers should provide the 3PAD with one of the following for conducting title transfer tracking (TTT) activity:

- 1) location codes(s);
- 2) contract identifier(s) used in the exchange of transactional data; or
- 3) both one and two above.

In any event TTT activity is always performed at or with respect to a location (physical or logical).

28.6 [NAESB WGQ Standard 1.3.68] All Title Transfer Tracking services should be performed under a contract or other arrangement between the Account Holder and their Title Transfer Tracking Service Provider.

28.7 [NAESB WGQ Standard 1.3.69] A Transportation Service Provider (TSP) should communicate with any Title Transfer Tracking Service Provider (TTTSP) that performs according to the applicable contract between the TTTSP and the TSP, and that operates in accordance with those NAESB standards applicable to Title Transfer Tracking.

GENERAL TERMS AND CONDITIONS

28. Title Transfer Tracking (Continued)

28.8 [NAESB WGQ Standard 1.3.71] A Transportation Service Provider (TSP) may operate in a manner such that allocated quantities will equal scheduled quantities for gas quantities into and out of a Title Transfer Tracking Service Provider (TTTSP) from or to a pool(s). If a TSP operates in such a manner, then the TSP should not be required to accept Pre-determined Allocations (PDAs) for those transactions nor separately provide, or transmit, Allocated to parties to such transactions.

Where the allocated quantities with respect to TTTSP are different than the scheduled quantities provided by the TSP to the TTTSP, for the same period, then the TSP should provide to the TTTSP Allocations (NAESB Standard No. 2.4.3) for the quantities into the TTTSP. In addition, the TSP should either accept:

- (a) Allocations from the TTTSP, or,
- (b) PDAs from the TTTSP.

Such information should be delineated at the level of the nomination line items provided by the TTTSP to the TSP for the purpose of allocation quantities out of the TTTSP.

28.9 [NAESB WGQ Standard 1.3.72] Absent ranking information provided by the Third Party Account Administrator and absent a contrary mutual agreement to proceed otherwise, where transactions related to Third Party Account Administrator (3PAD) activities are not balanced at the end of any confirmation cycle, transactions entering the 3PAD (receipt) or leaving the 3PAD (delivery), whichever is higher, should be reduced pro rata to match the total of the transactions on the other side of the 3PAD.

28.10 [NAESB WGQ Standard 1.3.73] Where a Transportation Service Provider (TSP) has decided to offer Title Transfer Tracking (TTT) service by means of an arrangement (including an agreement) with a party which will act as the TSP's designated party, and regardless of communication methodology between Account Holders and such designated party, the TSP should, upon request, identify the Title Transfer Tracking Service Provider(s) (TTTSPs) at a location which have established active TTT arrangements with the TSP. The relevant information to be provided should include the name of each TTTSP, the ID code of each TTTSP used by the TSP, the contract number for TTTSP assigned by the TSP (where applicable), the location code(s) for each TTTSP assigned by the TSP (where applicable), and the location code(s) nominatable to the TSP for transportation service to or from the location associated with each TTTSP. If, in the future, the common code for locations central repository includes listing TTTSPs by location, the requirements of this standard may be met.

GENERAL TERMS AND CONDITIONS

28. Title Transfer Tracking (Continued)

- 28.11 [NAESB WGQ Standard 1.3.74] A party to a transaction should nominate, or otherwise communicate in a mutually agreeable manner, the identity of their transaction counterparty along with the applicable, associated nominations related information to the appropriate Confirming Party or Title Transfer Tracking Service Provider (TTTSP). Failure to so act an result in the failure of the subject transaction to be communicated to the Transportation Service Provider (TSP) and scheduled by the TSP. A Confirming Party may communicate with its party and/or the immediate counterparty as to the existence and nature of a failure to communicate a transaction on the part of the applicable party. A TTTSP may communicate with its Account Holder(s) (AHs) and/or its AH(s)' immediate counterparty(ies) as to the existence and nature of a failure to communicate a transaction on the part of the applicable party.
- 28.12 [NAESB WGQ Standard 1.3.75] All references to the sending or receiving of transmittals by a party are intended to include the sending or receiving of such transmittals by such party's authorized agent.
- 28.13 [NAESB WGQ Standard 1.3.76] With respect to Title Transfer Tracking activity, when a reduction on a party's delivery side occurs at a location, and the Transportation Service Provider (TSP) does not keep the party whole, the TSP should pass the reduction to the appropriately ranked receipt transaction. When a reduction on a party's receipt side occurs at a location, and the TSP does not keep the party whole, the TSP should pass the reduction to the appropriately ranked delivery transaction.
- 28.14 [NAESB WGQ Standard 1.3.77] Where a Transportation Service Provider (TSP) determines to employ the confirmation process in its interactions with a Title Transfer Tracking Service provider (TTTSP) including a TTTSP acting as the TSP's agent, if any, then the TSP should also offer to employ with similarly situated TTTSPs, and may at its discretion require that other TTTSPs employ, the confirmation process in addition to the nomination on behalf of process for the purpose of coordinating activities at the TSP's locations with respect to Title Transfer Tracking.

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**Sheet No. 173** Sheet No. 173

RESERVED FOR FUTURE USE

GENERAL TERMS AND CONDITIONS

29. REVENUE CREDITS

29.1 Interruptible Transportation Revenue Credit

- (a) Applicability. The credit available under this Section 29.1 shall apply to all Transportation Service Agreements under the FT and LFS Rate Schedules.
- (b) Basis of the Credit. Revenues to which the credit under this Section 29.1 shall apply ("Eligible Revenues") shall be the revenues actually received by Transporter under the IT Rate Schedule that are not subject to refund and are attributable to delivery charges but not imbalance charges, scheduling penalties, unauthorized contract overrun penalties, ACA, or other charges. Starting with the effectiveness of this Tariff and the anniversary of the effective date every year thereafter, Transporter shall first retain 100% of all IT Rate Schedule revenues until Transporter has received an amount of revenues equal to the annual amount of costs, if any, allocated by the Commission to service under the IT Rate Schedule. Thereafter and for the remainder of the year Transporter shall credit to current month invoices under the applicable rate schedules 90% of the Eligible Revenues received during the prior month. Transporter shall retain the remainder of the Eligible Revenues not required to be credited or refunded.
- (c) Apportionment of Eligible Revenues. Eligible Revenues attributable to a month shall be apportioned among all FT and LFS Rate Schedule Shippers by applying the following ratio for each customer: (a) the Shipper's total Maximum Transportation quantities in effect during that month under the FT and LFS Rate Schedules, (b) divided by the summation of the total Maximum Transportation Quantity in effect during that month for all FT and LFS Rate Schedule Shippers; provided, however, that no Shipper shall receive a credit under this Section 29.1 in excess of its Reservation Charges for that month, with such excess being reallocated to the other Shippers in accordance with the above ratios.

GENERAL TERMS AND CONDITIONS

29. REVENUE CREDITS

29.1 Interruptible Transportation Revenue Credit

- (d) Revenues Subject to Refund. In the event that any revenues obtained under the IT Rate Schedule are collected subject to refund, and are ultimately not required to be refunded to Shippers under the IT Rate Schedule, Transporter shall recalculate the revenue credits that would have been due to Shipper if the IT Rate Schedule rate ultimately approved by the Commission had been in effect at the time of the revenue credit, and shall credit Shipper for the difference between revenues actually credited, and the recalculated revenue credit, plus interest at the rate prescribed by the Commission's regulations.

29.2 Penalty Revenue Credit

- (a) Applicability. Penalty Revenues net of costs incurred by Transporter and collected as a result of imposition of any penalty imposed under Section 6 of these General Terms and Conditions and as provided elsewhere in this FERC Gas Tariff will be refunded annually with interest to all Shippers who did not incur penalties when the penalties were assessed (Eligible Shippers). Interest shall be calculated in accordance with §154.501 of the Commission's regulations.
- (b) Calculation of Credit Amount. Eligible Shippers shall receive an allocation of penalty revenues based on the proportion of the revenues received during the 12-month period from each eligible Shipper divided by the total revenue received from all eligible Shippers during such period.
- (c) Timing of Credits. Within forty-five (45) days after November 1st of each year, Transporter shall determine the total amount of the Net Penalty Revenues received during the previous 12-month period and the portion of such amount to be credited to each Eligible Shipper. Such credits shall be reflected as a credit billing adjustment on the next bills rendered to the Shippers. In the event that such credit billing adjustment would result in a net credit on the total bill to any Shipper, or in the event the Shipper is no longer a shipper on Transporter's system, Transporter will pay to such Shipper its share of the Net Penalty Revenues within fifteen (15) days after determination of the amount of the credit due to the Shipper.
- (d) Minimum Credit Amount. Transporter shall not be obligated to issue penalty credits during any year in which Net Penalty Revenues are less than or equal to \$10,000.

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**Sheet No. 176** Sheet No. 176

RESERVED FOR FUTURE USE

GENERAL TERMS AND CONDITIONS

30. DISCOUNTS

30.1 In the event that Tuscarora agrees to discount its maximum rates under Rate Schedules FT, LFS, IT or PL, Tuscarora and Shipper may agree to the types of discounts specified herein without such discounts constituting a material deviation from Tuscarora's pro forma service agreement. Tuscarora and Shipper may agree that a specified discounted rate will apply:

- (i) only to specified quantities under the service agreement;
- (ii) only if specified quantities are achieved or only with respect to quantities below a specified level;
- (iii) only during specified periods of the year or for a specifically defined period;
- (iv) only to specified points, combination of points, markets, transportation paths or other defined geographic area(s);
- (v) only in a specified relationship to the quantities actually delivered (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually delivered). Notwithstanding the foregoing, no discounted rate shall be less than the applicable minimum rate; and/or
- (vi) a formula including, but not limited to, published index prices for specific receipt and/or delivery points or other agreed upon published pricing reference points for price determination (such discounted rate may be based upon the differential between published index prices or arrived at by formula). Such discounted rate: (1) shall not change the underlying rate design; (2) shall not include any minimum bill or minimum take provision that has the effect of guaranteeing revenue; and (3) shall, in each service agreement entered into pursuant to this Section 30.1(vi), define the rate component(s) to be discounted.

Notwithstanding the foregoing, the discounted rate shall be between the maximum rate and the minimum rate applicable to the service provided.

GENERAL TERMS AND CONDITIONS

30. DISCOUNTS (Cont'd)

30.2 If Tuscarora has agreed to a discount with a Shipper receiving service under a service agreement pursuant to Part 284 of the Commission's Regulations and the discount is limited to specific Point(s) of Receipt or Delivery or both, the Shipper may request that such discount apply to service under such transportation agreement at a different Point of Receipt or Delivery accessible under said service agreement at which Tuscarora and the Shipper have not specifically agreed to the discounted rate. There is a rebuttable presumption that such discount shall apply at the requested point if Tuscarora at the time of the request is granting discounts to other similarly situated Shipper(s) receiving service utilizing that point. However, Tuscarora can rebut this presumption by demonstrating that the proposed service to the Shipper is not similarly situated to the service receiving a discount at the requested point. Regardless of the discount granted by Tuscarora to any similarly situated Shipper at such requested point, if Shipper is granted a discount for service at the requested point pursuant to this Section 30.2, Shipper shall pay the higher of its contractual discount rate or the discount rate provided to another Shipper utilizing the requested point.

30.3 On any Business Day, a Shipper receiving a discount at specific Point(s) of Receipt or Delivery or both under a service agreement may request a discount for service at a new point by faxing a request to Tuscarora at a telephone number identified on Tuscarora's Internet website at least two (2) hours prior to the nomination that would use the discount at the new point. Tuscarora shall respond to requests received between 6:30 A.M. CCT (4:30 A.M. PCT) and 4:00 P.M. CCT (2:00 P.M. PCT) on a Business Day within two (2) hours from the time the request is received. For requests received between 6:30 A.M. CCT (4:30 A.M. PCT) and 4:00 P.M. CCT (2:00 P.M. PCT) on a non-Business Day or after 4:00 P.M. CCT (2:00 P.M. PCT) on any day, Tuscarora shall respond by 8:30 A.M. CCT (6:30 A.M. PCT) on the following Business Day. If Shipper has previously requested a discount to the same point and Tuscarora has not agreed, Tuscarora shall not respond to a renewed discount request unless rates for transportation service applicable to that point have changed.

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**Original Sheet No. 179** Original Sheet No. 179

GENERAL TERMS AND CONDITIONS

31. POLICY WITH RESPECT TO CONSTRUCTION OF LATERALS

Transporter may waive from time to time, at its discretion, all or a portion of the facility cost reimbursement requirement set forth in Section 3.4 of Rate Schedules FT, LFS and IT if Shipper provides Transporter adequate assurance of transportation revenue to make construction of the facilities economical to Transporter and if Shipper meets industry standard creditworthiness requirements. All requests for waiver shall be handled by Transporter in a manner which is not unduly discriminatory.

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**Sheet No. 180** Sheet No. 180

RESERVED FOR FUTURE USE

GENERAL TERMS AND CONDITIONS

32. NEGOTIATED RATES

32.1 Availability. Notwithstanding anything to the contrary contained in this Tariff, including the provisions of the rate schedules contained herein, Transporter and Shipper may mutually agree to a Negotiated Rate under any Agreement, provided that Shipper has not acquired its capacity on a temporary basis under the capacity release provisions of Section 26 of these General Terms and Conditions. If a portion of the capacity under any existing Agreement is agreed to be priced at Negotiated Rates, the existing maximum or discounted tariff rates will continue to apply to the capacity not subject to the Negotiated Rates. As a recourse to the Negotiated Rates, any Shipper may receive service at the applicable maximum tariff rates, including surcharges. The Negotiated Rate may be less than, equal to, or greater than the maximum and minimum applicable tariff rate; may be based on a rate design other than straight-fixed variable; and may include a minimum quantity. Transporter's Recourse Rates shall be available to any Shipper that does not agree to a Negotiated Rate. Recourse Rates are set forth on the Rate Sheets within this Tariff.

Transporter and a Shipper may agree to a Negotiated Rate for the entire term of a Transportation Service Agreement, or may agree to a Negotiated Rate for some portion of the term of a Transportation Agreement. Transporter and Shipper may agree to apply the Negotiated Rate to all or a portion of capacity under Shipper's Firm Transportation Service Agreement.

During the period a Negotiated Rate is in place, the Negotiated Rate shall govern and apply to the Shipper's service under the Negotiated Rate Agreement and the otherwise applicable rate, rate component, charge or credit which the parties have agreed to replace with the Negotiated Rate shall not apply to, or be available to, the Shipper. Only those rates, rate components, charges or credits identified by Transporter and Shipper in writing as being superceded by a Negotiated Rate shall be ineffective during the period that the Negotiated Rate is effective; all other rates, rate components, charges, or credits prescribed, required, established or imposed by this Rate Schedule or Tariff shall remain in effect. At the end of the period during which the Negotiated Rate is in effect, the otherwise applicable tariff rates or charges shall govern any service provided to Shipper.

(Continued)

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GENERAL TERMS AND CONDITIONS

32. NEGOTIATED RATES (Continued)

- 32.2 Filing Requirement. Unless Transporter executes and files a non-conforming agreement, Transporter will submit to the Commission on or before the commencement of service under a Negotiated Rate Contract a tariff sheet stating the exact legal name of the Shipper, Negotiated Rate, the rate schedule, the receipt and delivery points, the contract quantities and, where applicable, the Negotiated Rate Formula underlying a Negotiated Rate for any Negotiated Rate Agreement. The filing will contain a provision that the Negotiated Rate Agreement does not deviate in any material respect from the Form of Agreement in the tariff for the applicable rate schedule.
- 32.3 Rate Treatment. Transporter will not seek in future general rate proceedings discount-type adjustments to demand charge billing determinants for capacity converted from Recourse Rate Agreements to Negotiated Rate Agreements, unless the Recourse Rate has been discounted. In those situations where Transporter had granted a market-justified discount to the Recourse Rate and subsequently converted the service agreement to a Negotiated Rate Agreement, Transporter may seek a discount-type adjustment. Such adjustment would be based upon the greater of: (a) the Negotiated Rate revenue received; or (b) the discounted tariff rate revenues which otherwise would have been received.
- 32.4 Limitations. This Section 32 does not authorize Transporter to negotiate terms and conditions of service.
- 32.5 Capacity Release. Negotiated Rates do not apply as the price cap for capacity release transactions greater than one year.
- 32.6 Accounting Treatment. Transporter shall maintain separate records for all revenues associated with Negotiated Rate transactions. Transactions related to Negotiated Rate Agreements which originated as a pre-existing discounted service and were subsequently converted will be recorded separately from those originating as Negotiated Rate Agreements. Transporter shall record each volume transported, billing determinants, rate component, surcharge, and the revenue associated with its Negotiated Rates so that this information can be filed, separately identified, and separately totaled, as part of and in the format of Statements G, I, and J in Transporter's next general rate change application.

GENERAL TERMS AND CONDITIONS

33. RESERVATION OF CAPACITY FOR EXPANSION PROJECTS (Continued)

Transporter may elect to reserve, for future expansion projects, unsubscribed firm capacity or capacity under expiring or terminating firm transportation agreements where such agreements do not carry a right of first refusal, or evergreen right, or where Shipper does not exercise its right of first refusal, or where a party has elected termination under an evergreen. Transporter may only reserve capacity for a future expansion project for which an open season has been held or will be held within one (1) year of the date that Transporter posts such capacity as being reserved. Capacity reserved under this Section may be reserved for up to one year prior to Transporter filing for certificate approval for the proposed expansion, and thereafter until such expansion is placed into service. Capacity that is reserved for a future expansion will be made available for transportation service on an interim basis up to the in-service date of the expansion project. For such interim service agreements, Transporter reserves the right to limit Shipper extension rights, including the right of first refusal, within the service agreement. Transporter will indicate in any open season posting of this capacity any limitations on extension rights that will apply to such interim transportation service.

Prior to reserving capacity for future expansion projects under this Section, the subject capacity must have first been made available pursuant to Section 3.2(b) of these Transportation General Terms and Conditions. Capacity that remains available after the posting and bidding procedure outlined in Section 3.2(b) may be reserved by Transporter by means of a posting on Transporter's Internet website that shall include:

- (a) A description of the expansion project for which the capacity will be reserved;
- (b) The total quantity of capacity to be reserved;
- (c) The location of the proposed reserved capacity on Transporter's system;
- (d) When Transporter anticipates holding an open season or otherwise posting the capacity for bidding in connection with the expansion project;
- (e) The projected in-service date of the expansion project; and
- (f) On an ongoing basis, how much of the reserved capacity has been sold on a limited-term basis.

(Continued)

Effective Date: 04/01/2009 Status: Effective

FERC Docket: RP09-08-000

**Original Sheet No. 184** Original Sheet No. 184

GENERAL TERMS AND CONDITIONS

33. RESERVATION OF CAPACITY FOR EXPANSION PROJECTS (Continued)

If capacity that is reserved for an expansion project is insufficient to fully meet the needs of expansion shippers, the expansion open season posting will include a non-binding solicitation for turnback capacity from Transporter's existing Shippers to serve the expansion project. Transporter shall post, in the Informational Postings section of its Internet website, a non-binding solicitation for expansion project related turnback capacity no later than ninety (90) days after the close of an expansion project's open season specifying the minimum term for a response to the solicitation.

Any capacity reserved for a project that does not go forward for any reason shall be reposted as generally available within thirty (30) days of the date the capacity becomes available.

GENERAL TERMS AND CONDITIONS

34. OPERATIONAL FLOW ORDER (OFO) PROCEDURES

- 34.1 Transporter, in its sole discretion, will have the right to issue OFOs when in its judgment it is necessary to maintain or restore the operational integrity of its system.
- 34.2 Whenever possible, Transporter will identify the party(ies) [including but not limited to Shippers or OBA Operators] whose actions require Transporter to issue an OFO and will limit the applicability of the OFO to such party(ies). If Transporter is unable to identify the specific parties whose actions require issuance of an OFO, or if issuance of an OFO to discrete parties is insufficient to alleviate the conditions requiring the issuance of such OFO, Transporter may issue an additional OFO applicable to all parties on a nondiscriminatory basis.
- 34.3 All OFOs will be posted on Transporter's Internet website, to be followed by notification of affected parties that will set forth the causes or conditions necessitating the OFO. Notification will be through an affected party's choice of Electronic Delivery mechanism(s) set forth in Section 22.2 of these General Terms & Conditions.

Transporter will issue an OFO as expeditiously as is reasonable and practicable under the circumstances. When practicable, Transporter will provide sufficient notice to affected parties in order to accommodate scheduling requirements on upstream pipelines. Each OFO will contain the following provisions:

- (a) time and date of issuance;
- (b) the nature of the operational situation necessitating the OFO (high inventory, low inventory, etc.);
- (c) time that the OFO is considered to be effective (if no time is specified, the OFO will be effective immediately);
- (d) duration of the OFO (if not specified, the OFO will be effective until further notice);
- (e) the quantity of gas required to remedy the operational condition requiring the issuance of the OFO; and
- (f) any other term Transporter may reasonably require to ensure the effectiveness of the OFO.

GENERAL TERMS AND CONDITIONS

34. OPERATIONAL FLOW ORDER (OFO) PROCEDURES (Continued)

34.3 (Continued)

Transporter will post information, as soon as possible, about the status of operational variables that will determine when an OFO will begin and end. Transporter will post a notice on its Internet website informing parties when any OFO in effect will be cancelled. Following the issuance of an OFO, Transporter will post information on the factors that caused the OFO to be issued and then lifted as soon as it is available.

34.4 Except in cases where the curtailment of interruptible services would not alleviate the causes and conditions necessitating the issuance of an OFO, Transporter will, where practicable, curtail interruptible services prior to issuing an OFO. Transporter shall not be required to curtail interruptible services to individual Shippers when curtailment of service to those Shippers would not affect the OFO.

34.5 Upon the issuance of an OFO by Transporter, it shall be incumbent upon affected parties to adjust receipts or deliveries of gas as directed within the time frame specified in the OFO. Failure to comply in a timely fashion with an OFO may result in Transporter adjusting requests for confirmation from receipt or delivery points or Transporter using flow control (where available) to immediately interrupt all or a portion of a party's service and/or cause a party to incur a penalty based on the higher of \$25/Dth or a price per Dth equal to two times the midpoint price reported for Malin, Oregon as published in the daily price survey by Platts Gas Daily for all quantities received or delivered that are outside of the range(s) permitted under the OFO for the day on which the penalty is incurred. The payment of unauthorized overrun penalties does not create the right to exceed the levels established by an OFO.

34.6 In the event a party does not respond to an OFO and Transporter believes it is necessary to take actions such as buying or selling gas to maintain system integrity or to prevent interrupting service to another Shipper, Transporter shall have the right, but not the obligation, to take such remedial actions as it deems necessary. If Transporter takes these actions, it shall be made whole by the nonresponding party for all costs that Transporter incurs either through retention of penalty revenues or by direct reimbursement by party. Transporter shall not be liable for any costs or damages incurred by any party in complying with an OFO.

(Continued)

GENERAL TERMS AND CONDITIONS

34. OPERATIONAL FLOW ORDER (OFO) PROCEDURES (Continued)

34.7 Transporter shall not be responsible for any damages that result from any interruption in a party's service that is a result of a party's failure to comply promptly and fully with an OFO and the non-complying party(ies) shall indemnify Transporter against any claims of responsibility.

34.8 Notwithstanding the foregoing, when gas supplies necessary to effectuate transportation deliveries are not flowing on the system, Transporter will not be responsible for backing up such supplies and the associated deliveries will be subject to interruption.

34.9 Where a nomination is required by Transporter to make an effective physical change necessary to comply with an OFO, unless circumstances dictate otherwise, an OFO penalty should not be assessed unless the party is given the opportunity to correct the circumstance giving rise to the OFO and fails to do so, or the action(s) taken fails to do so. The opportunity to correct the critical circumstance should include the opportunity to:

- (a) make a nomination, which, once confirmed and scheduled would cure the circumstance giving rise to the OFO, or
- (b) take other appropriate action which cures the circumstance giving rise to the OFO.

A party's response to an OFO should not be constrained by restrictions on the submittal and processing of intra-day nominations.

Effective Date: 04/01/2009 Status: Effective

FERC Docket: RP09-08-000

**Original Sheet No. 188** Original Sheet No. 188

GENERAL TERMS AND CONDITIONS

35. SALES OF EXCESS GAS

Transporter may from time to time purchase or sell gas on an interruptible basis as necessary to manage system pressure and maintain system integrity. Prior to purchasing or selling gas pursuant to this section, Transporter shall post notice of its intent to purchase or sell gas through its EBB. Purchase or sale of gas shall be made on a nondiscriminatory basis. Parties that purchase gas from the pipeline shall be responsible for separately arranging any necessary transportation.

*Effective Date: 04/01/2009 Status: Effective*

*FERC Docket: RP09-08-000*

**Sheet Nos. 189 - 199** Sheet Nos. 189 - 199

RESERVED FOR FUTURE USE

Effective Date: 04/01/2009 Status: Effective

FERC Docket: RP09-08-000

**Original Sheet No. 200** Original Sheet No. 200

FORM OF SERVICE AGREEMENTS  
INDEX

	Sheet No.
FT Rate Schedule	201
LFS Rate Schedule	210
IT Rate Schedule	219
PL Rate Schedule	227
Electronic Data Interface	233

Effective Date: 04/01/2009 Status: Effective  
FERC Docket: RP09-08-000

Original Sheet No. 201 Original Sheet No. 201

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO FT RATE SCHEDULE)

This Agreement ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between Tuscarora Gas Transmission Company, a Nevada partnership (herein called "Transporter"), and \_\_\_\_\_ (herein called "Shipper" whether one or more persons).

In consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

ARTICLE I  
SCOPE OF AGREEMENT

- 1.1 Transporter agrees to receive from or for the account of Shipper for transportation on a firm basis quantities of natural gas tendered by Shipper on any day at the Receipt Points; provided, however, Shipper shall not tender without the prior consent of Transporter, at any Receipt Point on any day a quantity of natural gas (taking into account the Measurement Variance Gas Quantity) in excess of the applicable Maximum Input Quantity for such Receipt Point and provided further that Shipper shall not tender at all Receipt Points on any day a cumulative quantity of natural gas (taking into account the Measurement Variance Gas Quantity), without the prior consent of Transporter, in excess of the following quantities of natural gas:

Maximum Transportation Quantity \_\_\_\_\_ MMBtu

- 1.2 Transporter agrees to transport and deliver to or for the account of Shipper at the Delivery Points and Shipper agrees to accept or cause acceptance of delivery of the quantity received by Transporter on any day from Shipper pursuant to Section 1.1 (subject to adjustment to reflect the Measurement Variance Gas Quantity); provided, however, Transporter shall not be obligated to deliver at any Delivery Point on any day a quantity of natural gas in excess of the applicable Maximum Equivalent Quantity, nor a quantity of gas at all Delivery Points in excess of the Maximum Transportation Quantity. Transporter's obligations hereunder shall be subject to the installation of all necessary facilities.

Effective Date: 04/01/2009 Status: Effective  
FERC Docket: RP09-08-000

**Original Sheet No. 202** Original Sheet No. 202

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO FT RATE SCHEDULE)

ARTICLE II  
TERM OF AGREEMENT

Service under this Agreement shall begin on \_\_\_\_\_, and shall continue until \_\_\_\_\_. Shipper's Right of First Refusal shall be in accordance with Section 27 of Transporter's General Terms and Conditions.

Thereafter, this agreement shall continue in full force and effect for an additional term of \_\_\_\_\_ unless \_\_\_\_\_ gives at least \_\_\_\_\_ prior written notice of its desire to terminate this agreement. Under this evergreen provision, parties capable of giving notice of termination may include only Shipper (unilateral evergreen) or may include both Shipper and Transporter (bilateral evergreen).

ARTICLE III  
RATE SCHEDULE

- 3.1 Beginning with the Commencement Date, Shipper shall, in accordance with the FT Rate Schedule and the General Terms and Conditions of Transporter's FERC Gas Tariff, pay Transporter for all services rendered hereunder and for the availability of such service under Transporter's FT Rate Schedule as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed. Unless Transporter and Shipper enter into a Negotiated Rate contract, the rates to be charged Shipper for transportation hereunder shall not be more than the maximum rates under the FT Rate Schedule, nor less than the minimum rates under the FT Rate Schedule. Unless otherwise agreed, the rates for service under this Agreement shall be the maximum rates under the FT Rate Schedule. In the event Transporter and Shipper agree on a Negotiated Rate, that rate, and any provisions governing such Negotiated Rate, shall be set forth in Exhibit B attached hereto.

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO FT RATE SCHEDULE)

- 3.2 This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Transporter's applicable rate schedules and of Transporter's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedules and General Terms and Conditions are by this reference made a part hereof.
- 3.3 Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Transporter's FT Rate Schedule, (b) Transporter's FT Rate Schedule, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions of Transporter's FERC Gas Tariff applicable to the FT Rate Schedule. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for adjustment of Transporter's existing FERC Gas Tariff to assure that the provisions in (a), (b), or (c) above are just and reasonable.

ARTICLE IV  
RECEIPT POINTS

Natural gas to be received by Transporter for the account of Shipper hereunder shall be received at the Primary Receipt Point(s) set forth in Exhibit A of the Transportation Service Agreement, with the Maximum Input Quantity and the receipt pressure obligation indicated for each such Primary Receipt Point. The Maximum Input Quantities listed in Exhibit A are subject to adjustment to take account of the Measurement Variance Gas Quantity as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff. Natural gas to be received by Transporter for the account of Shipper hereunder may also be received at any other interconnection with another operator on Transporter's system, subject to the requirements of higher priority services.

Effective Date: 04/30/2010 Status: Effective  
FERC Docket: RP10-552-000

**First Revised Sheet No. 204** First Revised Sheet No. 204  
Superseding: Original Sheet No. 204

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO FT RATE SCHEDULE)

ARTICLE V  
DELIVERY POINTS

Natural gas to be delivered by Transporter for the account of Shipper hereunder shall be delivered at the Primary Delivery Point(s) set forth in Exhibit A of the Transportation Service Agreement, with the Maximum Equivalent Quantity and the delivery pressure obligation indicated for each such Primary Delivery Point. Natural gas to be delivered by Transporter for the account of Shipper hereunder may also be delivered at any other interconnection with another operator on Transporter's system, subject to the requirements of higher priority services.

ARTICLE VI  
ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be addressed as follows:

- (a) Transporter: Tuscarora Gas Transmission Company  
717 Texas Street, Suite 2400  
Houston, Texas 77002-2761  
Attention: Commercial Services
- (b) Shipper:

or such other address as either party shall designate by formal written notice.

Effective Date: 07/01/2009 Status: Effective  
FERC Docket: RP09-8-002

**Substitute Original Sheet No. 205** Substitute Original Sheet No. 205  
Superseding: Original Sheet No. 205

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO FT RATE SCHEDULE)

ARTICLE VII  
INTERPRETATION

The interpretation and performance of the Agreement shall be in accordance with the laws of Nevada, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

ARTICLE VIII  
AGREEMENTS BEING SUPERSEDED

When this Agreement becomes effective, it shall supersede the following agreements between the parties hereto:

ARTICLE IX  
MODIFICATION

No modification of the terms and provisions of a Transportation Service Agreement shall be made except by the execution of written contracts signed by Transporter and Shipper.

ARTICLE X  
ASSIGNABILITY

Neither party hereto shall assign or otherwise convey any of its rights, obligations or interests under this Agreement without the prior written consent of the other party hereto (which consent shall not be unreasonably withheld); provided, however, that such assignment or conveyance can be made without the other party's consent if made to a successor entity (whether by merger or by consolidation or by sale of substantially all the assets of such party). Nothing contained herein shall give Shipper the right to reassign its right to ship the quantities of gas specified in the Transportation Service Agreement on Transporter's system to others except as provided in Section 26 of the General Terms and Conditions of Transporter's Tariff. Further, nothing contained herein shall prevent either party from pledging, mortgaging or assigning its rights as security for its indebtedness and either party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any money due or to become due under any service agreement.

Effective Date: 04/01/2009 Status: Effective

FERC Docket: RP09-08-000

**Original Sheet No. 206** Original Sheet No. 206

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO FT RATE SCHEDULE)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

TUSCARORA GAS TRANSMISSION COMPANY

By: \_\_\_\_\_

Title: \_\_\_\_\_

[Shipper]

By: \_\_\_\_\_

Title: \_\_\_\_\_

Effective Date: 04/01/2009 Status: Effective  
FERC Docket: RP09-08-000

**Original Sheet No. 207** Original Sheet No. 207

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO FT RATE SCHEDULE)

Exhibit A

Primary Receipt and Primary Delivery Point(s)

Dated:

To the Transportation Service Agreement under the FT Rate Schedule  
between Tuscarora Gas Transmission Company (Transporter) and  
\_\_\_\_\_ (Shipper) concerning Primary Receipt and  
Primary Delivery Point(s).

Primary Point of Receipt	Maximum Input Quantity	Minimum Receipt Pressure
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Primary Point of Delivery	Maximum Equivalent Quantity	Maximum and Minimum Delivery Pressures
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*Effective Date: 04/01/2009 Status: Effective*

*FERC Docket: RP09-08-000*

**Sheet Nos. 208 - 209** Sheet Nos. 208 - 209

RESERVED FOR FUTURE USE.

Effective Date: 04/01/2009 Status: Effective  
FERC Docket: RP09-08-000

Original Sheet No. 210 Original Sheet No. 210

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO LFS RATE SCHEDULE)

This Agreement ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between Tuscarora Gas Transmission Company, a Nevada partnership (herein called "Transporter"), and \_\_\_\_\_ (herein called "Shipper" whether one or more persons).

In consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

ARTICLE I  
SCOPE OF AGREEMENT

1.1 Transporter agrees to receive from or for the account of Shipper for transportation on a limited basis quantities of natural gas tendered by Shipper on any day at the Receipt Points; provided, however, Shipper shall not tender without the prior consent of Transporter, at any Receipt Point on any day a quantity of natural gas (taking into account the Measurement Variance Gas Quantity) in excess of the applicable Maximum Input Quantity for such Receipt Point and provided further that Shipper shall not tender at all Receipt Points on any day a cumulative quantity of natural gas (taking into account the Measurement Variance Gas Quantity), without the prior consent of Transporter, in excess of the following quantities of natural gas:

Maximum Transportation Quantity \_\_\_\_\_ MMBtu

1.2 Transporter agrees to transport and deliver to or for the account of Shipper at the Delivery Points and Shipper agrees to accept or cause acceptance of delivery of the quantity received by Transporter on any day from Shipper pursuant to Section 1.1 (subject to adjustment to reflect the Measurement Variance Gas Quantity); provided, however, Transporter shall not be obligated to deliver at any Delivery Point on any day a quantity of natural gas in excess of the applicable Maximum Equivalent Quantity, nor a quantity of gas at all Delivery Points in excess of the Maximum Transportation Quantity. Transporter's obligations hereunder shall be subject to the installation of all necessary facilities.

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO LFS RATE SCHEDULE)

ARTICLE II  
TERM OF AGREEMENT AND NUMBER OF LIMITED DAYS

- 2.1 Service under this Agreement shall begin on \_\_\_\_\_, and shall continue until \_\_\_\_\_.
- 2.2 Shipper and Transporter agree that the minimum number of Limited Days will be \_\_\_\_\_ and the maximum number of Limited Days will be \_\_\_\_\_.
- 2.3 Shipper \_\_\_\_\_ agrees \_\_\_\_\_ does not agree to accept "partial volume day" limiting at the discretion of Transporter.

ARTICLE III  
RATE SCHEDULE

- 3.1 Beginning with the Commencement Date, Shipper shall, in accordance with the LFS Rate Schedule and the General Terms and Conditions of Transporter's FERC Gas Tariff, pay Transporter for all services rendered hereunder and for the availability of such service under Transporter's LFS Rate Schedule as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed. Unless Transporter and Shipper enter into a Negotiated Rate contract, the rates to be charged Shipper for transportation hereunder shall not be more than the maximum rates under the LFS Rate Schedule, nor less than the minimum rates under the LFS Rate Schedule. Unless otherwise agreed, the rates for service under this Agreement shall be the maximum rates under the LFS Rate Schedule. In the event Transporter and Shipper agree on a Negotiated Rate, that rate, and any provisions governing such Negotiated Rate, shall be set forth in Exhibit B attached hereto.

Effective Date: 04/01/2009 Status: Effective  
FERC Docket: RP09-08-000

**Original Sheet No. 212** Original Sheet No. 212

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO LFS RATE SCHEDULE)

- 3.2 This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Transporter's applicable rate schedules and of Transporter's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedules and General Terms and Conditions are by this reference made a part hereof.
- 3.3 Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Transporter's LFS Rate Schedule, (b) Transporter's LFS Rate Schedule, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions of Transporter's FERC Gas Tariff applicable to the LFS Rate Schedule. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for adjustment of Transporter's existing FERC Gas Tariff to assure that the provisions in (a), (b), or (c) above are just and reasonable.

ARTICLE IV  
RECEIPT POINTS

Natural gas to be received by Transporter for the account of Shipper hereunder shall be received at the Primary Receipt Point(s) set forth in Exhibit A of the Transportation Service Agreement, with the Maximum Input Quantity and the receipt pressure obligation indicated for each such Primary Receipt Point. The Maximum Input Quantities listed in Exhibit A are subject to adjustment to take account of the Measurement Variance Gas Quantity as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff. Natural gas to be received by Transporter for the account of Shipper hereunder may also be received at any other interconnection with another operator on Transporter's system, subject to the requirements of higher priority services.

Effective Date: 04/30/2010 Status: Effective  
FERC Docket: RP10-552-000

**First Revised Sheet No. 213** First Revised Sheet No. 213  
Superseding: Original Sheet No. 213

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO LFS RATE SCHEDULE)

ARTICLE V  
DELIVERY POINTS

Natural gas to be delivered by Transporter for the account of Shipper hereunder shall be delivered at the Primary Delivery Point(s) set forth in Exhibit A of the Transportation Service Agreement, with the Maximum Equivalent Quantity and the delivery pressure obligation indicated for each such Primary Delivery Point. Natural gas to be delivered by Transporter for the account of Shipper hereunder may also be delivered at any other interconnection with another operator on Transporter's system, subject to the requirements of higher priority services.

ARTICLE VI  
ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be addressed as follows:

- (a) Transporter: Tuscarora Gas Transmission Company  
717 Texas Street, Suite 2400  
Houston, Texas 77002-2761  
Attention: Commercial Services
- (b) Shipper:

or such other address as either party shall designate by formal written notice.

Effective Date: 07/01/2009 Status: Effective  
FERC Docket: RP09-8-002

**Substitute Original Sheet No. 214** Substitute Original Sheet No. 214  
Superseding: Original Sheet No. 214

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO LFS RATE SCHEDULE)

ARTICLE VII  
INTERPRETATION

The interpretation and performance of the Agreement shall be in accordance with the laws of Nevada, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

ARTICLE VIII  
AGREEMENTS BEING SUPERSEDED

When this Agreement becomes effective, it shall supersede the following agreements between the parties hereto:

ARTICLE IX  
MODIFICATION

No modification of the terms and provisions of a Transportation Service Agreement shall be made except by the execution of written contracts signed by Transporter and Shipper.

ARTICLE X  
ASSIGNABILITY

Neither party hereto shall assign or otherwise convey any of its rights, obligations or interests under this Agreement without the prior written consent of the other party hereto (which consent shall not be unreasonably withheld); provided, however, that such assignment or conveyance can be made without the other party's consent if made to a successor entity (whether by merger or by consolidation or by sale of substantially all the assets of such party). Nothing contained herein shall give Shipper the right to reassign its right to ship the quantities of gas specified in the Transportation Service Agreement on Transporter's system to others except as provided in Section 26 of the General Terms and Conditions of Transporter's Tariff. Further, nothing contained herein shall prevent either party from pledging, mortgaging or assigning its rights as security for its indebtedness and either party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any money due or to become due under any service agreement.

Effective Date: 04/01/2009 Status: Effective

FERC Docket: RP09-08-000

**Original Sheet No. 215** Original Sheet No. 215

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO LFS RATE SCHEDULE)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

TUSCARORA GAS TRANSMISSION COMPANY

By: \_\_\_\_\_

Title: \_\_\_\_\_

[Shipper]

By: \_\_\_\_\_

Title: \_\_\_\_\_

Effective Date: 04/01/2009 Status: Effective  
FERC Docket: RP09-08-000

**Original Sheet No. 216** Original Sheet No. 216

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO LFS RATE SCHEDULE)

Exhibit A

Primary Receipt and Primary Delivery Point(s)

Dated:

To the Transportation Service Agreement under the LFS Rate Schedule  
between Tuscarora Gas Transmission Company (Transporter) and  
\_\_\_\_\_ (Shipper) concerning Primary Receipt and  
Primary Delivery Point(s).

Primary Point of Receipt	Maximum Input Quantity	Minimum Receipt Pressure
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Primary Point of Delivery	Maximum Equivalent Quantity	Maximum and Minimum Delivery Pressures
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*Effective Date: 04/01/2009 Status: Effective*

*FERC Docket: RP09-08-000*

**Sheet Nos. 217 - 218** Sheet Nos. 217 - 218

RESERVED FOR FUTURE USE.

Effective Date: 04/01/2009 Status: Effective  
FERC Docket: RP09-08-000

**Original Sheet No. 219** Original Sheet No. 219

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO IT RATE SCHEDULE)

This Agreement ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between Tuscarora Gas Transmission Company, a Nevada partnership (herein called "Transporter"), and \_\_\_\_\_ (herein called "Shipper" whether one or more persons).

In consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

ARTICLE I  
SCOPE OF AGREEMENT

- 1.1 Transporter agrees to receive from or for the account of Shipper for transportation on an interruptible basis quantities of natural gas tendered by Shipper on any day at the Receipt Point(s); provided, however, Shipper shall not tender without the prior consent of Transporter, at all Receipt Point(s) on any day a quantity of natural gas, in excess of the following quantities of natural gas (taking into account the Measurement Variation Gas Quantity):

Maximum Transportation Quantity \_\_\_\_\_ MMBtu

Effective Date: 04/01/2009 Status: Effective  
FERC Docket: RP09-08-000

**Original Sheet No. 220** Original Sheet No. 220

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO IT RATE SCHEDULE)

- 1.2 Transporter agrees to transport and deliver to or for the account of Shipper at the Delivery Point(s) and Shipper agrees to accept or cause acceptance of delivery of the quantity received by Transporter on any day from Shipper pursuant to Section 1.1 (subject to adjustment for the Measurement Variance Gas Quantity).

ARTICLE II  
TERM OF AGREEMENT

Service under this agreement shall begin on \_\_\_\_\_, and shall continue in full force and effect until \_\_\_\_\_, and \_\_\_\_\_ thereafter until cancelled by \_\_\_\_\_ day(s) prior written notice given by either party to the other.

Effective Date: 04/01/2009 Status: Effective  
FERC Docket: RP09-08-000

**Original Sheet No. 221** Original Sheet No. 221

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO IT RATE SCHEDULE)

ARTICLE III  
RATE SCHEDULE

- 3.1 Beginning with the Commencement Date, Shipper shall, in accordance with the IT Rate Schedule and the General Terms and Conditions of Transporter's FERC Gas Tariff, pay Transporter for all services rendered hereunder under Transporter's IT Rate Schedule as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed. Unless Transporter and Shipper enter into a Negotiated Rate contract, the rates to be charged Shipper for transportation hereunder shall not be more than the maximum rates under the IT Rate Schedule, nor less than the minimum rates under the IT Rate Schedule. Unless otherwise agreed, the rates for service under this Agreement shall be the maximum rates under the IT Rate Schedule. In the event Transporter and Shipper agree on a Negotiated Rate, that rate, and any provisions governing such Negotiated Rate, shall be set forth in Exhibit B attached hereto.
  
- 3.2 This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Transporter's applicable rate schedules and of Transporter's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedules and General Terms and Conditions are by this reference made a part hereof.

Effective Date: 04/30/2010 Status: Effective  
FERC Docket: RP10-552-000

**First Revised Sheet No. 222** First Revised Sheet No. 222  
Superseding: Original Sheet No. 222

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO IT RATE SCHEDULE)

- 3.3 Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Transporter's IT Rate Schedule, (b) Transporter's IT Rate Schedule, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions of Transporter's FERC Gas Tariff applicable to the IT Rate Schedule. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff to assure that the provisions in (a), (b), or (c) above are just and reasonable.

ARTICLE IV  
ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be addressed as follows:

- (a) Transporter: Tuscarora Gas Transmission Company  
717 Texas Street, Suite 2400  
Houston, Texas 77002-2761  
Attention: Commercial Services
- (b) Shipper:

or such other address as either party shall designate by formal written notice.

Effective Date: 07/01/2009 Status: Effective  
FERC Docket: RP09-8-002

**Substitute Original Sheet No. 223** Substitute Original Sheet No. 223  
Superseding: Original Sheet No. 223

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO IT RATE SCHEDULE)

ARTICLE V  
INTERPRETATION

The interpretation and performance of the Agreement shall be in accordance with the laws of Nevada excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

ARTICLE VI  
AGREEMENTS BEING SUPERSEDED

When this Agreement becomes effective, it shall supersede the following agreements between the parties hereto.

ARTICLE VII  
MODIFICATION

No modification of the terms and provisions of a Transportation Service Agreement shall be made except by the execution of written contracts signed by Transporter and Shipper.

ARTICLE VIII  
ASSIGNABILITY

Neither party hereto shall assign or otherwise convey any of its rights, obligations or interests under this Agreement without the prior written consent of the other party hereto (which consent shall not be unreasonably withheld); provided, however, that such assignment or conveyance can be made without the other party's consent if made to a successor entity (whether by merger or by consolidation or by sale of substantially all the assets of such party). Nothing contained herein shall give Shipper the right to reassign its right to ship the quantities of gas specified in the Transportation Service Agreement on Transporter's system to others except as provided in Section 26 of the General Terms and Conditions of Transporter's Tariff. Further, nothing contained herein shall prevent either party from pledging, mortgaging or assigning its rights as security for its indebtedness and either party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any money due or to become due under any service agreement.

Effective Date: 04/01/2009 Status: Effective  
FERC Docket: RP09-08-000

**Original Sheet No. 224** Original Sheet No. 224

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO IT RATE SCHEDULE)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to  
Be signed by their respective agents thereunto duly authorized, the day  
and year first above written.

TUSCARORA GAS TRANSMISSION COMPANY

By: \_\_\_\_\_

Title: \_\_\_\_\_

[Shipper]

By: \_\_\_\_\_

Title: \_\_\_\_\_

Effective Date: 04/01/2009 Status: Effective  
FERC Docket: RP09-08-000

**Original Sheet No. 225** Original Sheet No. 225

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO IT RATE SCHEDULE)

Exhibit A

Primary Receipt and Primary Delivery Point(s)

Dated:

To the Transportation Service Agreement under the IT Rate Schedule  
between Tuscarora Gas Transmission Company (Transporter)  
and \_\_\_\_\_ (Shipper) concerning Primary Receipt and  
Primary Delivery Point(s).

Primary Point of Receipt	Maximum Input Quantity	Minimum Receipt Pressure
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Primary Point of Delivery	Maximum Equivalent Quantity	Maximum and Minimum Delivery Pressures
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*Effective Date: 04/01/2009 Status: Effective*  
*FERC Docket: RP09-08-000*

**Sheet No. 226** Sheet No. 226

RESERVED FOR FUTURE USE

Effective Date: 04/01/2009 Status: Effective  
FERC Docket: RP09-08-000

Original Sheet No. 227 Original Sheet No. 227

FORM OF SERVICE AGREEMENT  
APPLICABLE TO PARKING AND LENDING SERVICE  
UNDER PL RATE SCHEDULE

This Agreement ("Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between Tuscarora Gas Transmission Company, a Nevada partnership (herein called "Transporter"), and \_\_\_\_\_ (herein called "Shipper" whether one or more persons).

In consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

ARTICLE I  
SCOPE OF AGREEMENT

1.1 Transporter agrees to provide to or for the account of Shipper on an interruptible basis parking and lending service not to exceed at all Receipt Points on any day a total quantity of natural gas in excess of the following quantities of natural gas:

Daily Parking and Loan Quantity: \_\_\_\_\_ MMBtu

1.2 Quantities parked or loaned by Transporter under the PL Rate Schedule will be as specified in Shipper's delivery schedule to be provided to Transporter.

1.3 The service under this Agreement shall be conditioned upon the availability of capacity sufficient to provide the service without detriment or disadvantage to those customers that have a higher priority of service or to Transporter.

ARTICLE II  
TERM OF AGREEMENT

Service under this Agreement shall begin on \_\_\_\_\_, and shall continue in full force and effect until \_\_\_\_\_, and \_\_\_\_\_ thereafter until cancelled by \_\_\_\_\_ day(s) prior written notice given by either party to the other.

Effective Date: 04/01/2009 Status: Effective  
FERC Docket: RP09-08-000

**Original Sheet No. 228** Original Sheet No. 228

FORM OF SERVICE AGREEMENT  
APPLICABLE TO PARKING AND LENDING SERVICE  
UNDER PL RATE SCHEDULE

ARTICLE III

3.1 Beginning with the Commencement Date, Shipper shall, in accordance with the PL Rate Schedule and the General Terms and Conditions of Transporter's FERC Gas Tariff, pay Transporter for all services rendered hereunder under Transporter's PL Rate Schedule as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed. Unless Transporter and Shipper enter into a Negotiated Rate contract, the rates to be charged Shipper for parking and lending hereunder shall not be more than the maximum rates under the PL Rate Schedule, nor less than the minimum rates under the PL Rate Schedule. Unless otherwise agreed, the rates for service under this Agreement shall be the maximum rates under the PL Rate Schedule. In the event Transporter and Shipper agree on a Negotiated Rate, that rate, and any provisions governing such Negotiated Rate, shall be set forth in Exhibit B attached hereto.

3.2 This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Transporter's applicable rate schedule and of Transporter's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedule and General Terms and Conditions are by this reference made a part hereof.

3.3 Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Transporter's PL Rate Schedule, (b) Transporter's PL Rate Schedule, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions of Transporter's FERC Gas Tariff applicable to the PL Rate Schedule. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff to assure that the provisions in (a), (b), or (c) above are just and reasonable.

*Effective Date: 04/30/2010 Status: Effective*

*FERC Docket: RP10-552-000*

**First Revised Sheet No. 229** First Revised Sheet No. 229

Superseding: Original Sheet No. 229

FORM OF SERVICE AGREEMENT  
APPLICABLE TO PARKING AND LENDING SERVICE  
UNDER PL RATE SCHEDULE

ARTICLE IV  
ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be addressed as follows:

(a) Transporter: Tuscarora Gas Transmission Company  
717 Texas Street, Suite 2400  
Houston, Texas 77002-2761  
Attention: Commercial Services

(b) Shipper:

Or such other address as either party shall designate for formal written notice.

Effective Date: 07/01/2009 Status: Effective  
FERC Docket: RP09-8-002

**Substitute Original Sheet No. 230** Substitute Original Sheet No. 230  
Superseding: Original Sheet No. 230

FORM OF SERVICE AGREEMENT  
APPLICABLE TO PARKING AND LENDING SERVICE  
UNDER PL RATE SCHEDULE

ARTICLE V  
INTERPRETATION

The interpretation and performance of the Agreement shall be in accordance with the laws of Nevada excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

ARTICLE VI  
AGREEMENTS BEING SUPERSEDED

When this Agreement becomes effective, it shall supersede the following agreements between the parties hereto.

ARTICLE VII  
MODIFICATION

No modification of the terms and provisions of a Parking and Lending Service Agreement shall be made except by the execution of written contracts signed by Transporter and Shipper.

ARTICLE VIII  
ASSIGNABILITY

Neither party hereto shall assign or otherwise convey any of its rights, obligations or interests under this Agreement without the prior written consent of the other party hereto (which consent shall not be unreasonably withheld); provided, however, that such assignment or conveyance can be made without the other party's consent if made to a successor entity (whether by merger or by consolidation or by sale of substantially all the assets of such party). Nothing contained herein shall give Shipper the right to reassign its right to ship the quantities of gas specified in the Transportation Service Agreement on Transporter's system to others except as provided in Section 26 of the General Terms and Conditions of Transporter's Tariff. Further, nothing contained herein shall prevent either party from pledging, mortgaging or assigning its rights as security for its indebtedness and either party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any money due or to become due under any service agreement.

Effective Date: 04/01/2009 Status: Effective  
FERC Docket: RP09-08-000

**Original Sheet No. 231** Original Sheet No. 231

FORM OF SERVICE AGREEMENT  
APPLICABLE TO PARKING AND LENDING SERVICE  
UNDER PL RATE SCHEDULE

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

Tuscarora Gas Transmission Company

By: \_\_\_\_\_

Title: \_\_\_\_\_

Shipper

By: \_\_\_\_\_

Title: \_\_\_\_\_

Effective Date: 04/01/2009 Status: Effective

FERC Docket: RP09-08-000

**Original Sheet No. 232** Original Sheet No. 232

FORM OF SERVICE AGREEMENT  
APPLICABLE TO PARKING AND LENDING SERVICE  
UNDER PL RATE SCHEDULE

EXHIBIT A  
TO THE PARKING SERVICE AGREEMENT  
Dated \_\_\_\_\_  
Between TUSCARORA GAS TRANSMISSION COMPANY (TRANSPORTER)  
and \_\_\_\_\_

Receipt Point(s)

Effective Date: 04/01/2009 Status: Effective

FERC Docket: RP09-08-000

**Original Sheet No. 233** Original Sheet No. 233

FORM OF SERVICE AGREEMENT

(Applicable to all transportation service including Capacity Release)

An electronic signature is required by Shippers submitting bids for capacity and entering into agreements with Transporter for transportation service including capacity under Transporter's temporary capacity release tariff provisions. The following paragraph outlines the document to be electronically signed:

This signature form is presented in order that you, the Shipper, may electronically "SIGN" a contract based on the terms of the agreement or bid. In "signing" this agreement, to the extent you are a winning bidder, you are creating a legally binding contract with Transporter consistent with Transporter's Form of Service Agreement under the applicable Rate Schedule, as set forth in Transporter's currently effective FERC Gas Tariff, and agreeing to the Terms and Conditions of Transporter's FERC Gas Tariff including, if applicable, Transporter's capacity release provisions contained in Section 26 of the Transportation General Terms and Conditions of Transporter's FERC Gas Tariff.

